Saturday Night

Canada's Magazine of Business and Contemporary Affairs

AUGUST 3RD 1957 20 CENTS

Our Sub-Chasing Navy An Unbalanced Weapon

BY WILLIAM SCLATER

★

Russian Revolution Devours Its Young

BY MAXWELL COHEN

★

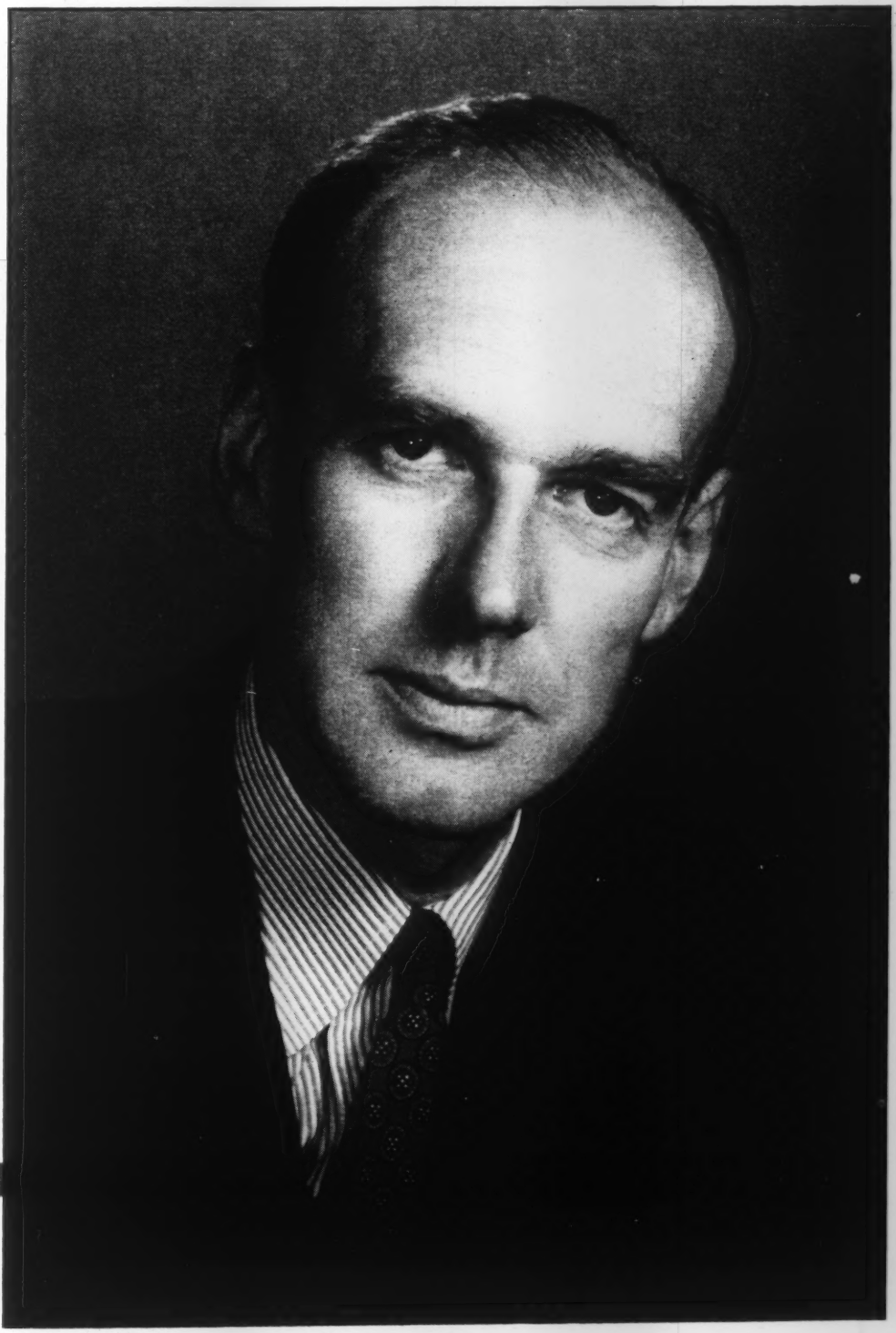
Will Tory Policy Cut Dollar Premium?

BY DAVID GRENIER

★

Freewheeling Justice Hits Right and Left In U.S. Decisions

BY MAX FREEDMAN



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"Unshrinkable" Stanfield Of Nova Scotia: Page 14

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William Sclater

A Lieutenant-Commander in the RCN during World War II, William Sclater described operations in the famous destroyer *Haida*, in a book which won the Governor-General's Award for Creative Non-Fiction. He discusses the inadequacy of our navy in case of war, on page 8.

Max Freedman

Washington correspondent for the *Manchester Guardian* and political reporter for the *Nation*, Canadian-born writer Max Freedman addresses some highly provocative questions to Canadians on the recent controversial rulings of the U.S. Supreme Court, on page 10.

Hugh Garner

Short story writer, free-lance magazine contributor, and TV playwright Hugh Garner tells about Robert Stanfield—the man who broke the "Liberal Barrier" in Nova Scotia by becoming the first Conservative Premier in 23 years, on page 14.

D. M. LeDain

Former Montreal chess champion with many years' experience as player, organizer, tourney director and reporter, Dudley M. LeDain presents the latest problems and strategy in his regular chess feature on page 19.

Saturday Night

covers the broad field of the modern Canadian business and professional man's interests, both in economics and in national and international affairs.

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Letters

Natives at Stratford

It was gratifying to read in your columns an account of "My Fur Lady", a musical written, composed, directed and produced by Canadians, and performed, at Stratford, by a Canadian cast.

To many people in this country the Stratford Festival is Canadian only in locale. The idea derives from Stratford-on-Avon while directors, producers, and leading players are usually imported. Shakespeare and Euripides are fine, but they aren't exactly indigenous. The Stratford Festival could do a good deal in promoting Canadian talent. It's even possible that Canadian talent, as represented by "My Fur Lady" can do something for Stratford.

COBOURG JOHN MACLEAN

Politics in Quebec

Hugh MacLennan in his recent article on Quebec politics asks the extraordinary question: "When has the Canadian voter been influenced by ideas in an election?" with the implication, of course, that Canadians vote according to how they feel their personal, material advantage will be best enhanced.

The answer to Mr. MacLennan's rhetorical question is that in the most recent federal election Canadian voters went to the polls to support an idea. The only really effective argument Mr. Diefenbaker offered during the campaign was an appeal to restore the supremacy of Parliament over an autocratic government. Certainly this proposition is an idea, no matter how you choose to use the word, and in terms of political campaign issues, a fairly abstract idea at that.

Furthermore Canadian voters who, according to Mr. MacLennan are obsessed with their own private interest, voted out of office a government under which, in terms of material welfare, they had "never had it so good."

REGINA T. L. WRIGHT

Who's Scared

Hugh MacLennan quotes Lord Chesterfield as saying "I don't know how the Opposition feels, but they scare the wits out of me." The original comment, I believe, was made by Lord Wellington in reference to a newly recruited regiment: "I don't know whether they will scare the enemy, but by God they scare me". The Chesterfield (or MacLennan) version may be politically pertinent, but the Wellington wisecrack was a lot funnier.

WINDSOR JOHN FITZGERALD

Follow-Up

According to your article on Quebec "The Tory victory was to a certain extent an accident". The writer goes on to tell us that "Hundreds of thousands of people who voted Tory . . . did so not because they wanted to see Mr. Diefenbaker in Mr. St. Laurent's shoes, but because they wanted a strong Opposition . . . They were astonished and some of them were dismayed when they found what they had done".

How does your writer account, then, for the recent by-election success, by the Tories, in Wellington, a liberal stronghold? Accident again? Or just the friendly extra whack "to grow on"?

HAMILTON MITCHELL BROWN

Turnovers

Although I was well satisfied with the previous format of SATURDAY NIGHT I do not worry too much about some of the changes you have made. But I very strongly object to your new policy of making me search for the continuance of any article I start to read.

It used to be so nice to be able to read an article through to the end in one operation.

WINNIPEG W. J. EVA

Backbench Boner

I recently read an account of a speech by Mr. Diefenbaker in Prince Albert in which the Prime Minister assured the hometown folks that the natural repugnance of the major powers to the horror of atom warfare precluded the possibility of a nuclear war "now or in the immediate future".

In the same speech Mr. Diefenbaker speculated seriously on the possibility that the recent Moscow purges might signal the breakdown of the Communist dictatorship.

These rather naive musings might be forgiven a backbencher trying to impress his country constituents but, coming from the Prime Minister of Canada, they are utterly irresponsible. When the Prime Minister doubles as the Minister for Ex-

ternal Affairs such off-the-cuff inanities are downright alarming!

Mr. Diefenbaker should be allowed a period of grace to adjust to his new dignity and responsibility but he might spend that time profitably by taking some instruction from his External Affairs officers or, failing that, put himself in the hands of one of the government's numerous public relations men.

TORONTO R. S. SINCLAIR

Ultimate "Dirty Trick"

H. G. Wells warned us a generation ago that the future of humanity depended on the outcome of the "race between education and catastrophe". It looks now as though education, as represented by the nuclear scientists, has moved over to the side of catastrophe taking the future along with it. A fine "dirty trick on a dirty world"!

VICTORIA ROBERT STRATHEARN

Distant Poison

. . . The British have produced that strange anomaly, a "clean H-bomb" without the vast number of tests made by the Americans over the last ten years. Is it possible that the Americans are conducting unnecessary tests for their propaganda value, against friend and foe alike? Had the United States agreed to share their information with leading NATO countries since April, 1949, the amount of testing could have been greatly reduced.

The standard, home-made pollution of our cities may be as deadly as the more modern, imported variety, but few people prefer standing in front of the air intake of a jet plane. A small percentage of our population inhabits the smoky downtown sections of our cities, and there is no igloo so isolated that polluted air from the nuclear tests does not reach it.

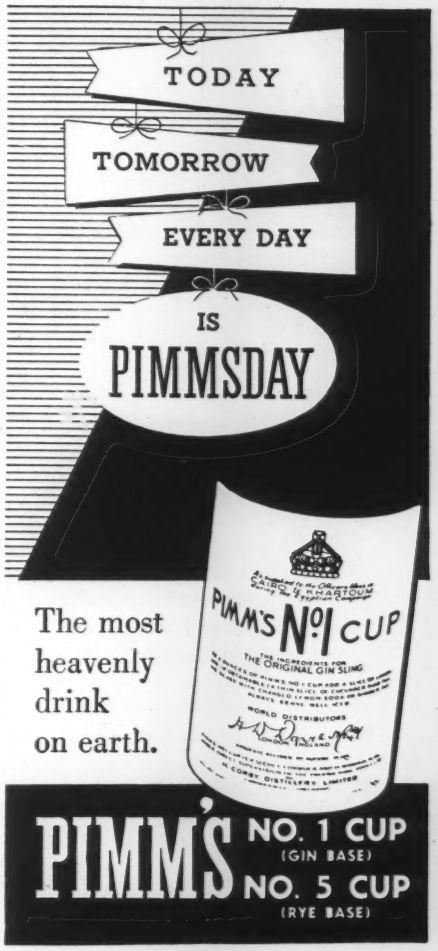
PORT HOPE, ONT. JOANNE YOUNG

Big Splinters

The Splinter Parties west of the Great Lakes are now the Liberals and Conservatives!

There could be some danger to the Liberal Party. Remember England? If they, as official Opposition, oppose the Conservatives too strenuously, they might lose support. Their failure, in thirty years of office, to put in a National Health Scheme, promised in 1921, and their recent treatment of Old Age Pensioners, has already lost them support, especially in the West. If the Conservatives fiddle around with a $4.00 raise to Old Age Pensioners, they might find themselves in the same boat with the Liberals.

REGINA J. F. MCKAY.



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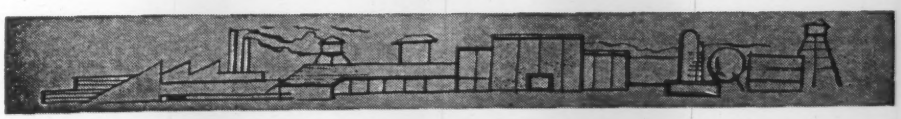

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Ottawa Letter

by John A. Stevenson

Economic Problems Ahead?

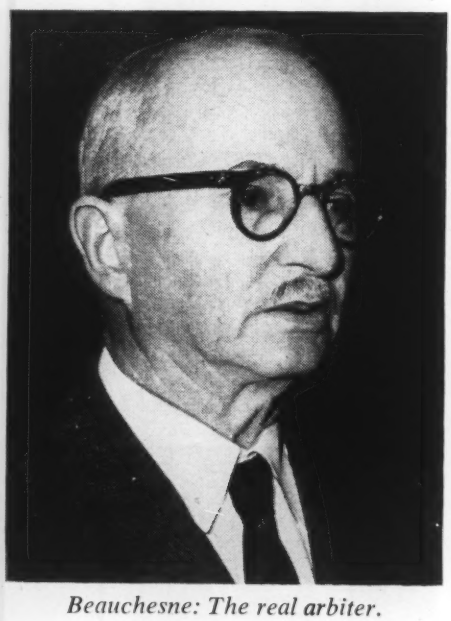
THE RESULT of the by-election in South Wellington was in conformity with the general trend in Western Ontario on July 10th, but the size of their candidate's majority must be distinct encouragement to the Diefenbaker Ministry. Our new Prime Minister had certainly contrived since he took office to convey to the country the impression that he and his Ministers have a large fund of dynamic energy available for its service. He obviously does not intend that his light shall be hid under any bushel and he is at much greater pains than either of his two predecessors to cultivate relations with the press. Indeed the Ottawa *Journal* thinks that they are too cordial and has rebuked members of the Parliamentary press gallery for indulging at a recent press conference in what Talleyrand called "the terrible gift of familiarity" by calling him "John".

The new Cabinet, however, amid its busy activity in getting a grip upon administrative business, must be haunted by the spectre of a possible economic recession, of which there are some ominous signs. So far in this year, the cumulative total of railway freight carloadings is about 8 per cent lower than in the parallel period of 1956, with the result that the Canadian National Railways have laid off 1,200 employees. The producers of lumber and base metals are both facing hard times through low prices and curtailed markets for their products. Overseas shipments of wheat are lower than a year ago and the crops in a large area of Saskatchewan and Manitoba desperately need rain to assure a decent yield.

Any serious depression would make the sky fall out of the Government's now bright heaven and wither its prospects for securing the mandate of a working majority at a second general election. Hundreds of voters, who were adversely affected by it would recall the grim depression which prevailed through most of the last Tory administration from 1930 onwards and the Liberals and the C.C.F. would fan their discontent by alleging that depressions were an inevitable consequence of Tory rule. If economic skies grow darker in the next two months, the Government might decide to make an immediate bid for a fresh mandate, but it can be taken for granted that the parties in opposition will be careful to give it no excuse for a dissolution.

The case for adopting at Ottawa the British practice of electing for the House of Commons a permanent Speaker who holds office, regardless of changes of Government, until his retirement or death, was greatly strengthened by the great parliamentary row over the pipe line in 1955. It is now a settled habit at Ottawa to change the Speaker of the House of Commons after every general election and there is also a tradition that the post must be occupied alternately by English- and French-speaking representatives. This plan has produced good, bad and indifferent speakers, but they have all had to learn their job by a process of trial and error. Only a few of the Speakers, who have come under my observation, mastered it quickly and most of the appointees in recent years have only attained reasonable competence in their office after assiduous coaching by Dr. Arthur Beauchesne whose long tenure of the office of Clerk of the Commons had given him an expert knowledge of the rules and procedure of the House. Indeed in some Parliaments Dr. Beauchesne was the real arbiter about questions of procedure.

The fundamental drawback of the present system is that just when a Speaker has become fairly proficient in his duties, he is replaced after an election by a novice, and another process of education, sometimes at the expense of the smooth conduct of the House's business, has to begin. One of the arguments for the continuance of the existing plan is that it gives English and French an equal share of an important office, but there is no reason why the same result should not be achieved by retaining the principle of alternation for permanent holders of the office.



Beauchesne: The real arbiter.

Beaudoin: A change desirable.

The late Speaker, Rene Beaudoin, apart from his regrettable lapses from grace in the session of 1955, was a very competent Speaker and moreover he engaged in assiduous research into the history of Speakerships in British Parliaments and into the powers and duties attached to the office. These studies and his own experience have convinced him, as he lately stated in a speech, that a change to the British practice is desirable.

But the problem of finding a member well qualified to be a permanent Speaker is not a simple one. In the last House of Commons Stanley Knowles (C.C.F. Winnipeg-North Centre) and Dave Fulton (P.C.-Kamloops) stood out as the two best-informed authorities on the procedures of the House of Commons and it is understood that Mr. Diefenbaker, fearing that three Ministers from British Columbia might seem an excessive quota for that province, offered the Speakership to Mr. Fulton, who declined to accept it. Mr. Knowles would make an admirable Speaker, as, apart from his informed knowledge of the rules of the House, he is popular with, and highly respected by, all parties. But he is an ardent crusader for a number of pet causes and it is unlikely that he could be persuaded to abandon them even for the prestige and emoluments of the Speakership.

Another problem, about which the new Cabinet must soon begin to think, concerns a successor to Mr. Massey, whose

extended term of office as Governor-General expires early next year. The abandonment of the tradition that our Governors - General should come from Britain was repugnant to many Canadian Tories, who saw in it the severance of one of the few surviving constitutional ties between Canada and Britain, and undoubtedly a large element of Mr. Diefenbaker's staunchest supporters would welcome a reversion to the old practice. But it would encounter fierce opposition from our ardent nationalists who would regard it as a retreat towards colonialism and the French-Canadians could argue with some justice that if some representative of their race was not allowed to follow Mr. Massey, the reason must be that no French-Canadian was considered qualified for the post.

An offer of the post to Mr. St. Laurent would be a very gracious gesture on the part of Mr. Diefenbaker, but acceptance of it would be improbable, because both Mr. St. Laurent and his wife have no liking for social grandeurs and ceremonial functions and they want to spend the evening of their days in their native province.

There have, however, been recurring rumors that some representative of the British royal family might be invited to succeed Mr. Massey and since Princess Margaret is too young for the post the names of the Queen Mother and the Princess Royal, now both widows, have been suggested. Both of them are charming, mature women, endowed with a large fund of common sense, and they must have had considerable experience of the duties incumbent on representatives of the Crown. But in the absence of an aristocracy or a landed gentry who could bridge the gulf between the sort of high state which is maintained in a royal household and the workaday life and habits of the Canadian people, the presence of royalty at Rideau Hall always creates a certain amount of social strain. The Earl of Athlone and his consort, Princess Alice, reduced it to a minimum by their friendly democratic ways but they had served a long apprenticeship for their task in South Africa. Another royal regime at Rideau Hall was not so happy.

Fowler: A futile debate?

The late Mr. Loring Christie, who was Sir Robert Borden's right hand man during World War I used to tell how when he walked away from the platform at Ottawa after bidding farewell to the Duke of Connaught in 1917, Sir Robert said, "Christie, I call you to witness that as long as I have any say in the destinies of Canada, there will be no more royalties at Rideau Hall. The strain has been too great for me."

The pronouncement of Prime Minister Diefenbaker that he aspires to mitigate the huge adverse balance in our trade exchanges with the United States by diverting to Britain about 15 per cent of the imports which Canada now secures from her neighbor and his sharp criticisms of the grain-marketing policy of United States have had immediate repercussions in Washington. His hands, moreover, have been strengthened by generous help from Mr. Pearson, who let an American audience in San Francisco know that he was in full concurrence with the Prime Minister's views about our economic relations with the United States. So, Mr. Dulles, the American Secretary of State has been conferring in Ottawa about these relations and international problems with Mr. Diefenbaker and he doubtless was enlightened about our new Government's attitudes and intentions. A prominent lobbyist in Washington has made a frank admission that the grain-marketing policy of the United States has been unfair to Canada and damaged her export trade in grain.

Furthermore, announcement has been made from Washington that under the auspices of the National Planning Association a committee of 40 members drawn from leaders of industry and business in Canada and the United States will investigate their economic relations with special emphasis on complaints that American interests are now dominating Canada's economy and on American methods of unloading surpluses of agricultural products. As co-chairmen of the committee R. Douglas Stuart, a former American Ambassador at Ottawa, and R. M. Fowler of Montreal are admirable choices, but a personnel of 40 for the committee is so large that it is liable to become a futile debating society. Our neighbors are evidently genuinely alarmed that Mr. Diefenbaker's zeal for closer trade and other relations with Britain will lead to a curtailment of their export trade with Canada and these countermoves are obviously designed to cool it.

HOME '57

Journal proudly presents Home '57, the house of the year — built for Canadian families and decorated by our Home Bureau, for $15,000!

JOYCE HAHN: *Waif in Wonderland*

Is baby-faced Joyce Hahn, one of the most popular stars on Cross-Canada Hit Parade, cold and standoffish — or is she one of the nicest girls you'll ever meet? Associate Editor Helen Kirk interviewed Joyce, a veteran of showbusiness for 22 of her 27 years. Read the moving story of her life, from her first travels across the country with her family's act, the "Harmony Kids", through two broken marriages to her present status as one of Canada's favourite singers.

THE CAUSES OF INFIDELITY

"The best remedy for infidelity," says Consulting Psychiatrist J. K. Thomas, "is for a couple to have some meaning in life, a meaning that fills and suffuses their whole existence." He points out the causes of infidelity and the dangers to avoid, in this frank and absorbing article in his "How to Stay Married" column.

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Saturday Night

Foreign investment underwrites our economy. The dollar premium gauges our attraction: Dips mean trouble.

Will Tory Policy Cut Dollar Premium?

by David Grenier

CANADIANS REGARD the current premium on their dollar as a barometer. It reflects the investment world's opinion of their country. On the surface, this barometer shows the sunniest of investment climates. Under the surface, there are storm signs.

The dangers are not immediate. Economists predict a premium of 4-5% on Canada's dollar in terms of U.S. currency for at least a year. The dangers lie in the long-run effects of Progressive Conservative policy toward U.S. investment.

The dollar premium is flattering testimony to world confidence in Canada. It's a boon to Canadian importers and a headache to exporters. To the tourist industry it's a nightmare.

Behind the strength of the Canadian dollar is the basic economic fact: Most investors think a dollar invested here will earn more, faster and with less risk than anywhere else.

The story of Canada's boom is known around the world. As a result investors in virtually every country want to share our prosperity. To do so, they seek Canadian stocks and bonds in record quantities. But this investment money must be converted into Canadian funds as it crosses the border. Because the supply of available Canadian dollars is relatively small and the demand large, competition is keen. The successful purchaser must pay more for a dollar—a premium—for his Canadian money.

But now investors have a new factor to reckon with: Will the Tories maintain this attractive climate for foreign funds?

There are indications they won't—at least not to the same extent the previous Liberal government did.

When they were campaigning before the election, the Conservatives were severe critics of the Liberals' easy-going attitude to U.S. investment. Cynics discounted much of this saying criticism was easy because the Tories had no chance to change anything anyway: Now they have and apparently are going to try.

The indicator here may well be the recently announced plan

CONTINUED ON PAGE 39

U.S. tourists seem confused, often irritated by Canadian premium. Big factor is use of "dollar" by both.

We could use two more carriers like our new H.M.C.S. Bonaventure, navy's largest ship.

We are an over-specialized anti-submarine sea power, with one carrier to defend two vulnerable sea coasts.

by William Sclater

Our Sub-Chasing Navy: A

SEAPOWER IS UNCHANGING in its function. It is to guard our coasts and command our sea approaches; to protect the merchant ships which carry our seaborne trade; to uphold our national interest beyond our shores.

But the face of seapower changes. Today the control of the surface is no longer enough. Seapower in the 20th century is three-dimensional. Through the submarine it reaches into the underseas, and through seaborne airpower up into the skies, making all our strategic concepts of yesterday as obsolete as the three-mile limit.

We are faced with the gravest challenge to the seapower of the free world in history. A new naval power is rising and within the past seven years it has come from negligible beginnings to be the second-largest in the world today. The seapower of Soviet Russia includes more than 200 destroyers, many of the fast *Kotlin* type rated at 38 knots, 2,200 tons, fitted with four four-inch automatic dual-purpose guns, four 76 mm guns, four 37 mm and four torpedo tubes and anti-submarine armament. It includes at least 25 post war, powerfully-gunned cruisers and many smaller craft.

But the real menace of the Soviet navy is in the big underseas armada of more than 500 modern submarines, fitted with snorkels and all the latest modern devices and being added to at the rate of 60 to 70 new submarine ships each year. It has no known aircraft carriers but 3,000 land-based aircraft are known to be assigned to its operational use.

We remember the submarine menace of the first and second world wars and its dreadful toll of our surface shipping. Western civilization is founded and sustained by seapower. Nine out of ten merchant ships in the world today belong to the peoples of western civilization. Attack them and you attack us at our most vital point.

Our sea admirals of the west, viewing the Soviet submarine threat, were inclined to a defensive strategy which would bottle them up in the Baltic and destroy them in harbor.

Then British naval intelligence in June of this year revealed that the Soviet navy is now equipped with more than 30 fast, modern submarine depot ships which could be used as ocean bases. This meant they could no longer be bottled up in the Baltic and our defensive strategy had to be revised to create barrier patrols far to seaward to safeguard us against the contingency that enemy submarines might be used to launch long-range nuclear missiles against our seaports and inland industrial centers. In this role seaborne airpower is tremendously effective.

What of the fighting seapower of the west and our defensive NATO alliance? What of our own Royal Canadian Navy with its 19,000 officers and men and 45 operational ships in commission today? How is it geared to meet a sudden Soviet threat?

Our navy today is largely a specialized anti-submarine seapower. During World War II Canada and Great Britain shared the arduous duty of North Atlantic con-

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1 WORLD WAR II LIGHT CRUISER

15 DESTROYER ESCORTS

6 Of The New 'St. Laurent' Class — 9 World War II Destroyers

10 ANTI-SUBMARINE FRIGATES

6 COASTAL ESCORTS

9 MINESWEEPERS

In Reserve, or on Order

NONE ON ORDER

1 WORLD WAR II LIGHT CRUISER IN RESERVE

8 NEW 'ST. LAURENT' CLASS ON ORDER

3 ANTI-SUBMARINE FRIGATES IN RESERVE

22 COASTAL ESCORTS IN RESERVE

NO MINESWEEPERS IN RESERVE

An Unbalanced Weapon

voy. The U.S., with her surface fighting seapower largely destroyed at Pearl Harbor, was unable to assume the role that might have been expected of her in a North Atlantic sea war, even as a late arrival. The result was that the burden fell largely on Canada.

Almost overnight, from a small navy of half a dozen aging destroyers and a force of 1,760 officers and men, we came to seapower of over 100,000 personnel and more than 600 ships, many of them war emergency jobs from our own shipyards.

From 1943 on, Canada alone supplied more than 75 per cent of the escort forces for the great convoys sailing out of New York, Boston, Halifax and other U.S. and Canadian Atlantic seaports. In the final year of war Canada handled this arduous anti-submarine job virtually by herself. This is the experience which has so largely influenced our post war naval thinking. Today we have the new light fleet aircraft carrier of 20,000 tons, H.M.C.S. *Bonaventure*. She is our biggest ship and our only carrier and carries about 30 Banshee jets, Canadian-built anti-submarine Trackers and helicopters.

We have a World War II cruiser, a six-inch-gun job in commission and one in reserve. We have nine coastal minesweepers, all in commission. We have six coastal escorts in commission and 22 in reserve. We have ten anti-submarine frigates in operation and three in reserve.

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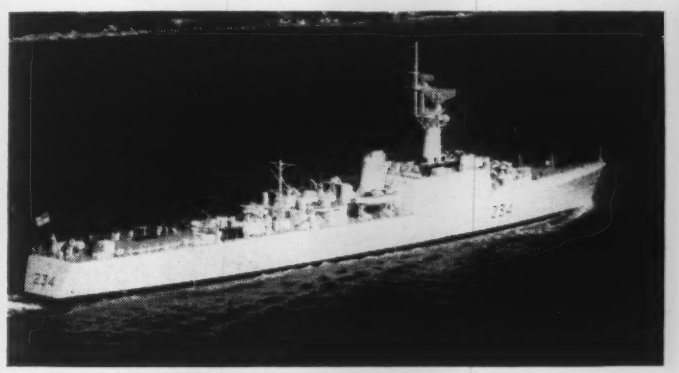
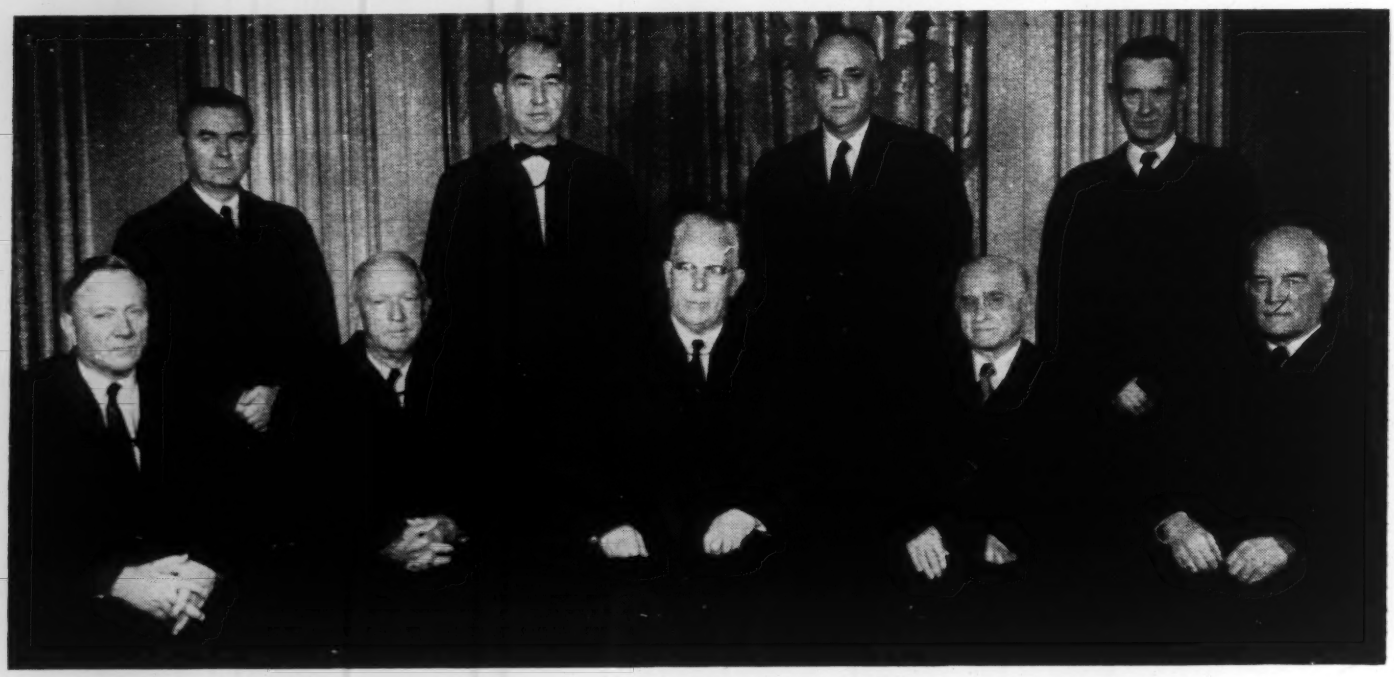


St. Laurent class destroyer escort is rated at 23 knots.

Nine of our destroyer escorts are World War II class.



U.S. Supreme Court: (seated) Associate Justices William O. Douglas and Hugo Black, Chief Justice Earl Warren and Associate Justices Felix Frankfurter and Harold H. Burton. (Standing) Associate Justices William J. Brennan Jr., Tom C. Clark, John M. Harlan and Charles C. Whittaker. Are their recent decisions a reckless defiance, or a triumph of freedom?

Freewheeling Justice Hits Right and Left in U.S.

by Max Freedman

ONCE AGAIN THE SUPREME COURT of the United States has found itself entangled in strenuous controversy. Some Americans applaud its recent decisions as triumphs of freedom. Others denounce the verdicts as a reckless defiance of Congress and of the duty of the executive branch to protect the country from Communist subversion. Public excitement has been increased because these controversial decisions were bunched together; their cumulative impact has been most disturbing. In fact, the Court has not met so much criticism since those distant days when it mutilated the New Deal by striking down twelve statutes passed by Congress. It is worth noting, however, that the Court this time has found it possible to hand down its new verdicts without once reversing or overruling its earlier decisions. It is the general philosophy behind the Court's decisions, even more than the specific verdicts themselves, that has provoked these alternate expressions of praise and of indignation.

The first controversial decision came in the anti-trust action involving Du Pont and General Motors. The Court found Du Pont guilty of restraint of trade because of its ownership of 23 per cent of the stock of General Motors. The majority opinion written by Mr. Justice Brennan held that Du Pont

Chief Justice Earl Warren is Supreme Court's 14th chief.

had used this stock to gain a preferred and discriminatory market for some of its products. Two fundamental points must at once be noticed.

No one can study the dissenting opinion of Mr. Justice Burton, concurred in by Mr. Justice Frankfurter, without believing that a different verdict was at least permissible on the basis of the evidence alone. Rarely in the Court's history has it ever been required to pass judgment on so large or so complicated a record of evidence as in this case. Yet the majority verdict assumed that there was no dispute at all about the essential facts. As Mr. Justice Burton showed in his memorable dissent, many of the conclusions drawn by Mr. Justice Brennan are directly challenged or contradicted by other parts of the evidence which the majority opinion chose to ignore. It will be most surprising if the Court, for this reason if for no other, does not decide to exercise the wisdom of second thoughts to correct the method of reasoning followed in the Brennan opinion. But this revision must await a later case. Meanwhile the present verdict is the operative law.

In any event, this first point concerns questions of legal technique and is of primary interest to lawyers and judges, though passing beyond them to the whole community. The other point is of urgent and immediate concern to American business men.

The Department of Justice brought action against Du Pont for its purchase of stock in General Motors more than 35 years ago. Are business men to face the challenge of anti-trust action for investments made in the distant past, in full conformity with the then state of the law, and never questioned by the Government until many years have passed? Under such a rule is there not a visible and present danger that the business community will be exposed to unjust harassment? The Department of Justice has tried to quiet these fears by letting it be known that it intends to apply the Supreme Court's decision with moderation and restraint. But there must be something wrong with a decision that can be saved from plunging the business world into confusion only because the Government in its own discretion refrains from making full use of the power granted to it.

(Canadian law, relating to cases similar to the Du Pont one, provides that: "It is forbidden to acquire control over the business of another or substantially or completely control either locally or generally a particular business if such action is, or is likely to be, detrimental to the public.")

The Du Pont ruling touched the rights of property. The other verdicts concerned the rights of the individual and the rights of the state.

A great deal of confusion exists about the scope of the Court's decision in the Communist cases. It is being charged, quite wrongly, that the Court has found a loophole in the existing law through which the Communists can escape punishment. The Court has neither amended nor repealed the Smith Act, the statute which brought the California Communists to trial. It has merely clarified the purpose of that act so that all doubt and ambiguity may be ended.

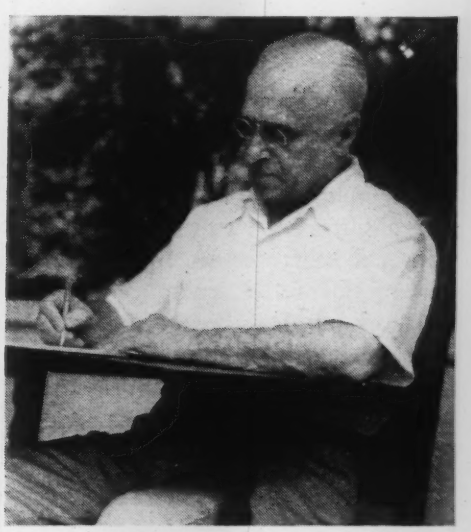
Mere membership in the Communist party is no crime. A Communist can be punished by a court only for something that he personally says or does, quite apart from the passive fact of membership in this party. That has

CONTINUED ON PAGE 34

The pattern of recent U.S. Supreme Court decisions on anti-trust legislation, civil rights and prosecution of Communists, is causing many Americans grave concern.

Edgar Hoover's FBI will compromise on use of its files in court cases.

Playwright Arthur Miller tried to avoid informer's role in subcommittee hearing.



Mr. Justice Frankfurter dissented from decision in Du Pont anti-trust action.

Molotov, Malenkov, Kaganovich, children of the revolution, grown old in its service, fed to the party lion.

Russian Revolution D

by Maxwell Coh

SOME SPECIES in nature consume their young to the horror and disgust of squeamish men. But there are human institutions whose social pathology suggests a similar taste for cannibalism and here violent revolution seems to have a unique and consistent capacity to destroy its makers even unto the next generation. Yet while cannibalism in nature tends to be confined to the young, revolutions are no respecters of age and these past days we have witnessed the Kremlin preparing the ritual for devouring some of its old.

There is an endemic frustration in attempts to diagnose the changing symptoms and behaviour of Soviet society and politics. As General Twining is supposed to have remarked "there are no experts on Russia, there are only varying degrees of ignorance"; and in moments of dramatic events these degrees are exchanged among diplomats, scholars and journalists in the hope that appraisals can be made in the free world to provide a little more security in forecasting the dark turns of Soviet action. So while it is not yet time for the professors to publish their footnotes, the diplomats and the journalists must take the risks of a guess for the guidance of public and politicians living in a generation of atomic equilibrium, where "A" and "H" have become the alphabet of a common terror for mankind.

The dismissals from the Presidium of the Central Committee of the Communist Party of three senior figures in the political history of Russian Communism, Malenkov, Molotov and Kaganovich — Shepilov is less significant in these calculations — and the denunciation of Malenkov, a former premier, in terms that touch very close to criminal charges, justify some speculation as to Khrushchev's policies and the meaning of the now defeated intra-party opposition to them.

Some general observations are required at this point. Soviet Russia, perhaps more than any state or political system in the modern world, has attempted to express in its political and economic organization certain theories of history and certain expectations in the development of all social systems. The result has been to produce an inordinate amount of ideological breast-beating in Soviet political life where all actions by those who have power must be rationalized to fit the theses laid down in the writings of the masters — Marx, Engels, Lenin, and even Stalin. For almost thirty-five years, up to Stalin's death, the oracle was also king, that is to say the sources of ideological explanation coincided with the holding of absolute political power — formally in the Presidium

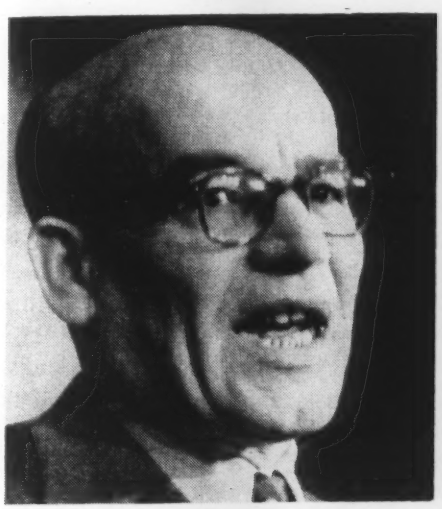
A realistic policy for Canada: assume Russia's ultimate aims remain unchanged; aid national sentiment in satellite lands.

Stalin's successor Nikita Khrushchev: a new personality for same old cult.

Devours Its Young

Cohen

of the Central Committee but in practice in the First Secretary — Stalin for many years, and then followed by Malenkov for a few weeks until Khrushchev became First Secretary, leaving Malenkov with the post of Premier. Now all of the massive social changes that took place in Russia after 1917 reflected this continuing interaction between practical objectives — such as rapid industrialization and the collectivization of agriculture — and ideological concepts basic to Soviet theory — such as dialectical materialism, the dictatorship of the proletariat, the transition from feudalism to "capitalism" to "socialism" to Communism, the inevitable conflict between socialist (Communist) states and the encircling capitalist world, the unity of the international proletariat, etc. Among the practical consequences of making Russian industrial and agricultural facts fit the procrustean limits of communist theory were the brutal use of terror, the centralization of all economic and political policy making, the re-shaping of rural life and, of course, the moulding of the arts, sciences and education to speak the language of Marx and Lenin and to achieve the flat monochromes of an Orwellian society.



Gomulka: many roads to freedom.

Hence all problems of Soviet analysis both domestic and external must be understood at least on two levels. At home what the Communist Party does — since Russia is a "Party-State" with the Party apparatus parallel to and more important than the formal government machinery — must be seen in the light both of party doctrinal and organization objectives as well as the satisfaction of a multitude of practical needs in a complicated industrial-agricultural society. The latter would range from building great steel and power plants to providing simple consumer services such as shoe repairs or retail stores.

Abroad this double level in Soviet behaviours is to be recognized first in the requirements and aims of

CONTINUED ON PAGE 38

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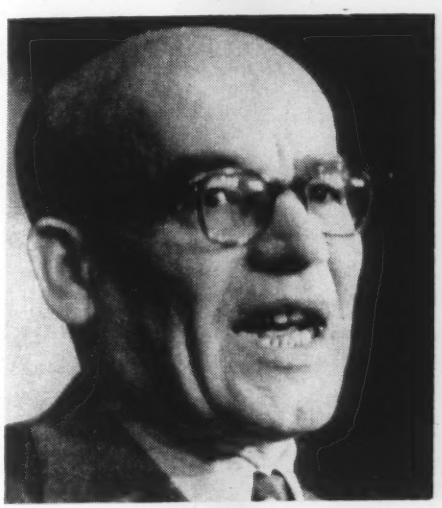

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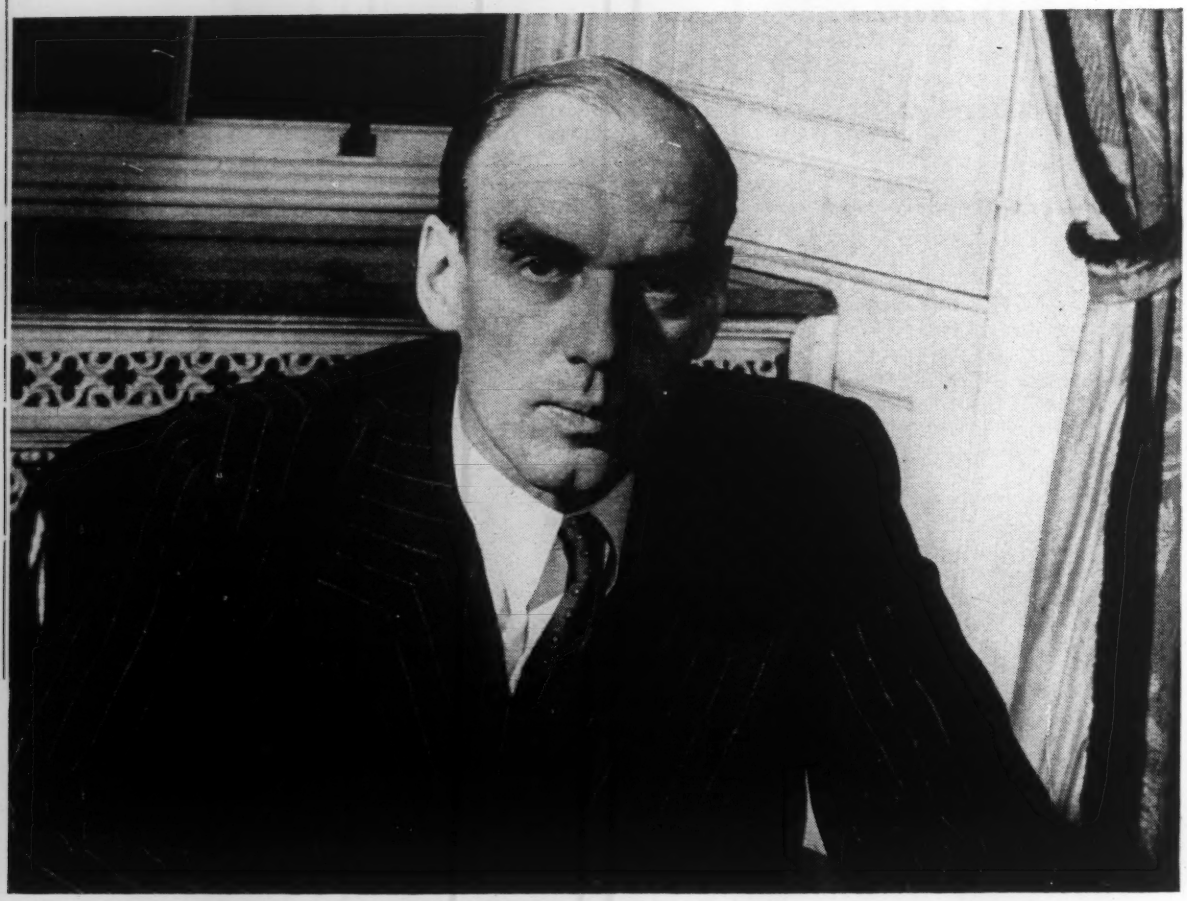


He became Premier because he decided there were just "too many Liberals around".

Nova Scotia's "Unshrinkable" Stanfield

Dedicated to the development of Nova Scotia, he has no desire to hold a federal cabinet minister's job.

by Hugh Garner

WHEN HE ENTERED the political jousts ten years ago, Robert Lorne Stanfield had no intention of becoming Premier of Nova Scotia, which he did become on Nov. 20, 1956. He was asked recently by an Ontario journalist why he had taken over the leadership of the almost moribund Progressive Conservative Party in 1948, and he said, "There were just too damn many Liberals around."

There are still too many Liberals around Nova Scotia to make the job a sinecure, and Premier Stanfield, so far, has been walking on eggs and teetering on a very thin majority of votes. Prior to last October's election the Liberals had been in power in the province for 23 years, and, in fact, the Conservatives had formed the government of Nova Scotia for only twelve years since Confederation. With 24 Conservative seats out of 43 in the legislature, and many of these only by narrow margins and the grace of God, the premier's present task is to win friends and not alienate people.

Members of the Stanfield family of Truro, Colchester County, have served as town councillors, mayors, provincial M.L.A.'s, M.P.'s, and as a senator, Lieutenant-Governor, and now as a provincial premier. It has been true up to now that no Stanfield has ever lost an election,

but Robert Stanfield says, "It's not a thing I like to mention; I may be crowding our luck."

Nova Scotia's Stanfield family became prominent through the unlikely juxtaposition of two earth-shaking events: the discovery of gold in the Klondike, and the invention by his grandfather of unshrinkable woollen long-handled underwear. The icy blasts of the Chilcoot Pass and Stanfield's "unshrinkables" had an affinity like bacon and bannock, and news filtered down from the Yukon that next to a poke of gold dust, a couple of pairs of Stanfield's made the gold rush worthwhile.

The present prominent Stanfield is now forty-three, and was born on April 11, 1914. He was educated up to grade nine at Colchester Academy, and from there at Ashbury College in Ottawa, Dalhousie University (B.A.), finally getting his law degree from Harvard.

Robert Stanfield is lean, bald-headed, and was once known to the members of his family as "The Professor", due to his high marks at school. All his photographs make him look pretty austere, but he is a friendly man, quick to smile, and with the easy modesty that a stable and wealthy family imparts to some, but not all, its scions.

The premier is a man who meets his visitor at the door, and escorts him back to it when the visit is over. At the time he was interviewed he was still driving a Chevrolet Bel Air convertible, three or four years old, and though offered one, would not accept a special licence plate. He has since acquired a 1957 Oldsmobile convertible.

When asked if he had his eye set on national politics, he answered, "Definitely not. I'm entirely absorbed in the provincial government." Would he accept a federal cabinet post if one were offered? "I would not be contemptuous of the offer, but I would turn it down."

Did you foresee a Diefenbaker victory?

"I didn't know what to expect. I had no particular knowledge how things would turn out, but I felt sure there would be an improvement from our point of view. My colleagues and I down here went all out to help as much as we could; the weeks before the federal election every member of our cabinet was out drumming up support for the federal candidates."

Though there seemed to be too many Liberals around the province when Robert Stanfield took to politics, most Nova Scotia Liberals must have thought for a long time that there were too many Conservative candidates among the members of the Stanfield clan.

It all started when Charles Edward Stanfield, a Yorkshireman, learned the wool business from an uncle in Bradford, England. This uncle staked the young Stanfield to a one-way ticket to America, where he decided to settle in Philadelphia over a hundred years ago. In the City of Brotherly Love he met a young man from Prince Edward Island, however, who sold him on moving to P.E.I. by telling him that the island province was without a woollen mill. Stanfield sailed with his new friend to P.E.I. and there set up a woollen mill, tannery, general store, hat factory and shipyard. He married Lydia Dawson, granddaughter of a colonel in the Irish Guards.

"My grandfather was a man who couldn't stay put," his grandson says today.

Charles Stanfield moved to Truro, Nova Scotia, when the Inter-colonial Railway joined the Atlantic Provinces with Upper and Lower Canada. Here he built a large house, three woollen mills and two hat factories.

Is it true that your grandfather invented the drop seat in his "long john" underwear? Premier Stanfield laughed heartily. "I don't know if it's true or not, but it's a good story," he said.

One of old Charles' sons, Senator John Stanfield, took the 191st Highlanders to France in World War One. They were known as "Stanfield's Unshrinkables". Another son, the Hon. Frank Stanfield, the premier's father, was four times an M.L.A. and later the Lieutenant-Governor of Nova Scotia. John Stanfield, in 1907, was elected as Conservative member for Colchester riding, breaking up the famous "solid 18" federal Liberal representation from Nova Scotia.

One of Robert's brothers, Frank Stanfield, is a former M.P. for Colchester-Hants, and another brother runs his own advertising agency in Montreal.

CONTINUED ON PAGE 30

With Lieutenant-Governor Fraser he presents austere mien. Camera-shy, he believes in "personal privacy".

Mother congratulates him on victory. Politically-minded Stanfield family has never been defeated at the polls.

The magnificent Cathedral of Palermo contains some exquisite Arab mosaics.

Teatro Massimo in Palermo, capital city of the island.

Ancient stone combined with modern design in Taormina.

Travel

Sicilians are in love with their island and its treasures from the past. They want you to like it too.

SICILY TODAY T

by Gertrud Lan

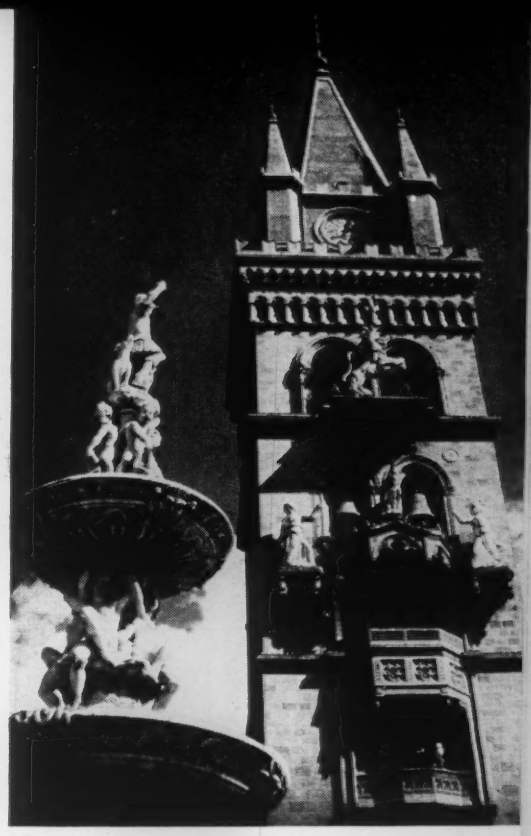
Sicily is a land of enchantment. Its blue skies, flowers, noises; its rich sloping fields and lemon groves; its hilltop towns teeming with people; its bustling ports mingling Africa and Europe; its octopuses, wines and sunsweet oranges; its Greek temples, Arab domes and Norman cathedrals; all this entrances the Canadian visitor.

The Spanish villa that was our little hotel in Taormina served us breakfast on the sunny terrace in the garden. We looked at the deep, blue sea far below with its white fluting against the rocky shore, the steep hillside with slim dark cypress, spatulate knobby cactus as high as the house and splashes of bloom, pink, orange and purple.

High above us on the skyline we could see the Greek theatre. Its circle of seats faces the backdrop of Mount Etna against the sky. The Greeks built on this favored spot 26 centuries ago. The Romans in their time almost ruined the setting by blocking the stage with a solid brick wall. An earthquake, however, broke down enough of

Despite women's gay costumes, Sicily is a man's world.

History in stone. Ruins of a classical theatre, Taormina. Sicily has been swept by successive waves of civilization.



Tracery of light and shade on the fountain and Campanile of Messina.

Through Canadian Eyes

Langridge

this horror to restore the magnificent view.

For our journeyings in Sicily we joined the modern tourist bus to circle the whole island. I was many a time thankful that I was not the driver who had to manoeuvre mountain bends and narrow switchback roads and all the while dodge slow donkeys and wild Sicilian motorists who lean on their horns and race around hills and curves.

We made slow passage through the steep, sharp turns of towns perched on hilltops and walled for ancient safety. These look Arab still with their square, squat roofs and dark doorways. We honked past black-kerchiefed women carrying jars from the fountain, flocks of sheep and goats on the way out to pasture, handsome children playing in the dust, cows going from door to door for the direct-method milk delivery, and everywhere crowds of men.

There are always men in the streets of Sicily. They stand around chatting and laughing, they snooze in the

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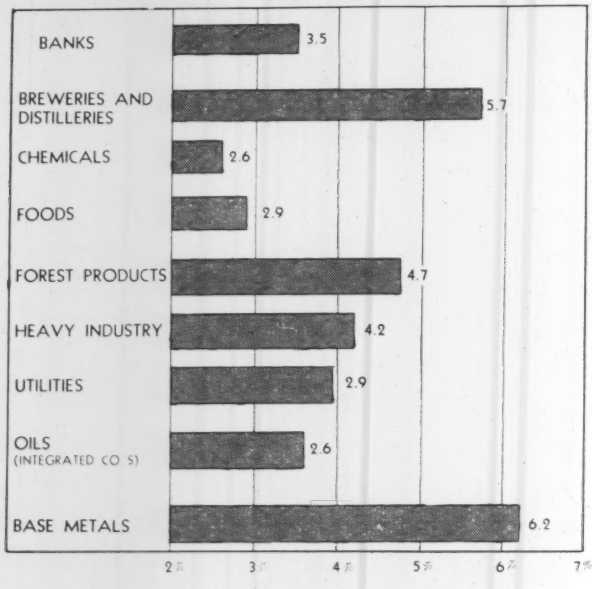
Gaily decorated Sicilian carts are everywhere.

A fine example of stone carving is Fontana di Orione, Messina.

Panorama of Taormina showing the rugged countryside.



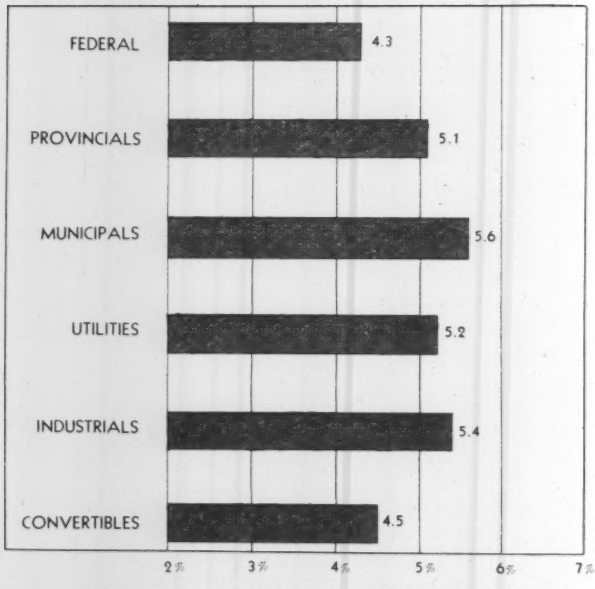
Common stocks show large yield spread based on category.

Inflation takes a big bite of your investment. To meet this challenge, the market offers:

Convertible Securities:

Coupons plus Growth

by R. M. Baiden



Convertible yields rank below averages in most other categories, comfortably up from critical 3% level. The biggest advantage is sharing company's growth.

One of the important functions of money is to make more money.

There are several ways to make money perform this function and they all have their advantages and drawbacks.

For instance: you can put your money in a savings account in a bank. The advantage is that your principal is secure. The drawback is that your money earns only 2¾% a year and at the current rate of inflation the purchasing power of money is declining at about 3% a year.

You can invest your money in bonds. Yields here run to 6% and more. Your principal is reasonably safe but again inflation takes a big bite from that 6% and the principal.

Or you can put your money in common stocks. Risk for your principal varies with the investment as does yield, which depends on dividends. The big attraction, of course is the equity which increases as the company grows — if it does grow. The risk is that it will grow. With common shares, the risk is the highest and so are the possible returns.

But for the investor who wants to make the best of all possible worlds there's still another way. He buys convertible securities.

Convertible securities are bonds, debentures or preferred stock which may be changed, in whole or in part, into common shares at the option of the holder.

CONTINUED ON PAGE 37

Puzzler

by J. A. H. Hunter

"NEXT TIME I'll shop alone!" said Pam, dropping wearily into a chair.

"Why? What happened?" asked Jim.

"Just Gwen being Gwen," laughed his wife. "She went with me, and you know how she is." Jim knew! "I hope you got my socks," he commented drily.

"That's the trouble," declared Pam. "I saw them—a regular line, as you said—but then she dragged me away to see some handkerchiefs. And I got some for Jack and myself—cheap ones at 29¢ for him, and some at over half a dollar for myself."

"Well?" Jim guessed what was coming.

"Then Gwen had to interfere. So she made me get six more of those hankies for myself than I had just bought, and six more of Jack's for him." Pam looked sweetly contrite. "That's why I'm mad! All those hankies cost seven dollars and four cents, when without Gwen's interference I'd have spent only a dime more including your pairs of socks."

Shopping is best done alone. But what would Jim's socks have cost? (54)

Answer on Page 40.

Chess

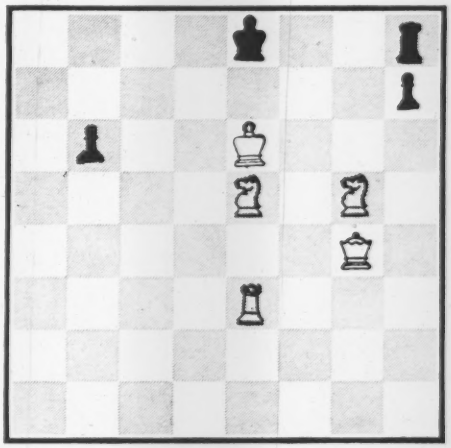
by D. M. Le Dain

STARTING this week-end, Toronto will be the scene of the Fourth Biennial World Junior Championship. This is the first time the event has been scheduled for the Western Hemisphere, and assurances have been received of a good representation of juniors (20 years and under) from Europe, Africa and the Americas. In charge is a committee headed by Bernard Freedman, Canada's representative on the International Chess Federation.

Inaugurated at Birmingham in 1951, Boris Ivkov, Yugoslavia, was the winner. Oscar Panno, Argentina, placed first at Copenhagen, 1953. Russia entered for the first time at Brussels, 1955, and won with Boris Spassky. Canada sent Lionel Joyner, Montreal, in 1951, and Ross Siemms, Toronto, in 1953.

Solution of Problem No. 171 (Rosenbaum).
Key, 1. Q-KKt1.

Problem No. 172, by A. C. White.
White mates in two. (5+4).



It's Set to Work!

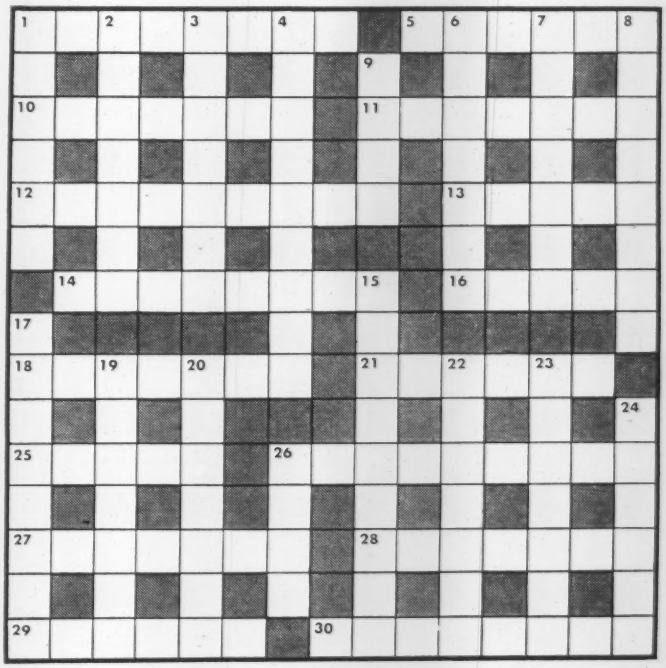
by Louis and Dorothy Crerar

ACROSS

1 A fortifying ingredient of rhubarb I can't stomach. (8)
5 Liable? Like the devil he is! (6)
10 Spectacles that make the eyes turn. (7)
11 What two in a single bed don't get much of! (7)
12 They make men ill, sir, especially at Easter. (9)
13 As a rule it sounds all wet. (5)
14 I'll mix rum with it and get a bloom on. (8)
16 Moved along the border. (5)
18 He may figure it's as much as your life's worth. (7)
21 A brilliant U.N. star turn. (6)
25 Baby's one, yet he goes on all fours. (5)
26 A busy worker in chilly surroundings making lace in France. (9)
27 Give encouragement, but often the boxer doesn't when K.O.'d. (7)
28 The stamp of a Canada goose? (3, 4)
29 This food is around when the party's over. (6)
30 Tired, lifeless and overcome. (4, 4)

DOWN

1 Evidently her size did not prevent her marrying more than once. (6)
2 Pull up, as it were, in the rear, like a uniform sort of fellow. (7)
3 Will William bear it? (3, 4)
4 I try a suet turnover to suit this kind of budget. (9)
6 Where the old Witch lived is to the south east. (7)
7 A pressing engagement to have a mixed drink at a golf club. (7)
8 Demon ale is a far cry from the demon rum. (8)
9 I twice get the bird. (4)
15 May run badly when made in man's image. (9)
17 Did Mary's follower cut up at meal times? (4, 4)
19 Not from the 12, but they might set men's heads spinning. (3, 4)
20 From all accounts he figures on being a listener. (7)
22 In short the Egyptian King had nothing on the wrong side of the ledger. That taught him a lesson! (7)
23 Spin the reel over a rough sea and let go. (7)
24 The . . . . . s me see through a very small hole. (6)
26 Unable to abbreviate. (4)



Solution to last puzzle

ACROSS

1 Conducted tours
9 Lydia
10 Arc
11 Alibi
13 See 6
14 True love
16 Tub
18 Italic
19 Smog
21 Oars
22 Borneo
23 Yet
25 Teashops
26 Unpaid
29 Raise
30 Ida
31 Ferry
32, 12. Around the world in eighty days

DOWN

2 Order
3 Dramatic
4 Chat
5 Excursions
6, 13. Travel bureau
7 Uniformly
8 Globe trotter
12 See 32
15 Can of paint
17 Borsalino
20 To and fro
24 Sheean
27 April
28 Fare (421)

The Saturday Trip to the Moon 10¢

"Shopping plaza to the moon . . . blast off!"

We laugh at Jimmy's flights of fancy, all too earth-bound ourselves with the decisions and choices of weekend shopping. But is his dream so far fetched? After all, the commonplaces of this Saturday were our grandfather's... or even our own dreams at Jimmy's age.

Research at General Motors has led the way in turning many of these dreams into today's realities. It has pioneered and constantly developed the Diesel locomotive, bringing the benefits of efficient, low-cost operation to Canada's railroads. In appliances it has led all the way from the development of Freon—today's standard refrigerant—to the "sheer-look" of the 1957 kitchen. In automotive transportation General Motors has contributed advances from the invention of a self-starter and ethyl anti-knock gasoline right up to the latest automatic transmission, panoramic

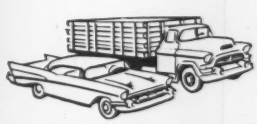
windshields and power assists. Wherever you look you will find GM research leading the way in so much of our progress towards comfort, convenience and better living.

Such leadership demands constant planning for the future. Today, the thoughts of thousands of research scientists and engineers at General Motors are on the shape and style of the cars, locomotives, household appliances and many other things that will affect your way of life tomorrow. Whatever wonders the future holds . . . GM will play a big part in bringing them to you.

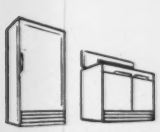
"What's on your mind, son? A trip to the moon? Well, could be . . ."

GENERAL MOTORS

GROWING WITH CANADA



GENERAL MOTORS OF CANADA
LIMITED
OSHAWA AND WINDSOR



FRIGIDAIRE PRODUCTS OF CANADA
LIMITED
LEASIDE AND SCARBOROUGH

GENERAL MOTORS DIESEL
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LIMITED
ST. CATHARINES AND GRANTHAM TWP.

PRODUCING MORE AND BETTER THINGS
FOR MORE PEOPLE

Books

by Arnold Edinborough

Jacket Design

Breathless and Domestic

Novels which, by their strong story line, their easily recognizable characters or situations and their crisp, uncomplicated style, make easy reading for the summer.

THE MIDSUMMER season can be a dull one for the reader. Many publishers seem to keep all their good books for release in a rush somewhere near Christmas. Others keep their lists open with what can only be called, in all charity, grade B entertainment.

Yet sometimes there is a seasonal trickle of worthwhile and interesting books, especially novels, intended no doubt for the hammock or the lawn-lounger. Novels which, by their strong story line, their easily recognizable characters or situations, and their crisp, uncomplicated style are easy to read even when they are picked up and put down constantly.

Such novels, easy to read, are very difficult to write. But when they are well written they fall into a category which can be termed, without facetiousness, grade A medium. Three such novels are those for review today.

The first is by an English writer, Iris Murdoch, who has had her first two novels *Under the Net* and *Flight from The Enchanter* widely and justly praised. This third novel, *The Sandcastle*, will not be so well received for it is less original. But it is still a very intelligent and pleasant book.

The story is of the impact made on two men; one staid and elderly, the other middle-aged and volatile; by a vivacious and talented young woman portrait painter.

The daughter of a well-known society painter, she has been brought up by her father and taught about painting and life exclusively by him. Just before the story opens, he dies. Looking for a substitute she finds him when she is commissioned by the governors of a private school to paint its retired headmaster, Mr. Demoyte, and meets his friend and former colleague, Mor, a middle-aged teacher still on the staff.

Mor has been stifled in all that he has ever wanted to do by a managing, efficient and unsympathetic wife. He is also troubled by his two teen-age children neither of whom he understands. By a series of coincidences he is led into one false situation after another with the young artist, Rain Carter, and falls in love with her. To his surprise, she responds warmly seeing her unattainable father in this very attainable man.

The tension between the sitter Demoyte, his former assistant Mor, the wife, the children and the artist is slowly but inevitably built up. But just when Mor thinks his happiness is complete the whole fantastic edifice (the sandcastle) is swept from under his feet by the swirling tide of his wife's clever, cool and ruthless revenge.

The situation is preposterous at times but there is a shrewdness of observation and a satiric eye for detail which freshens the tired theme of youth, crabbed age and marital discord. The only drawback to full enjoyment is the lavish use of coincidence which motivates the plot. Miss Murdock should realize that when we say truth is stranger than fiction we all automatically limit the amount of improbability we can accept in a novel. *The Sandcastle* goes beyond this limit.

Elspeth Huxley in *The Red Rock Wilderness* knows a great deal more about plotting than Miss Murdoch. Although not concerned with detectives and criminals, *The Red Rock Wilderness* is still a whodunit—a whodunit on a high plane, full of perceptive observations and good writing.

Miss Huxley's central character is a Nobel Prize-winning scientist who deserts his Scandinavian homeland at the height of his powers and fame to retire to the French Equatorial jungle. There all resemblance to Dr. Schweitzer ends, although obviously Miss Huxley uses the situation of Dr. Schweitzer in Lambarene to give her story piquancy.

Unknown to his friends, Dr. Clausen has retired to the jungle not to escape reality, but to explore it. He is convinced that Negro black magic is merely mass hypnosis and he feels research into the mind has been greatly neglected by too great a concentration on research into solid objects.

He therefore willingly gives himself up to the powers of the greatest medicine man in black Africa, only to find that he is being used by ruthless nationalists to further their cause.

These nationalists consist of an oversuave lawyer from Nairobi, a brilliant part-Negro scientist employed by a great mining cartel and the German director of this company's operations.

Nationalism, witchcraft, mass initiation ceremonies, beatings, killings (two by an infuriated rhinoceros), a chase along jungle tracks between an old Citroen and a new Buick, are all crammed into the story. The characters are not so clear to us as Miss Murdoch's are, but the excitement of *The Red Rock Wilderness* is much more sustained. In fact, to read *The Red Rock Wilderness* is rather like reading a theme of Alan Paton's handled by John Buchan. It makes a curiously intriguing mixture, with hardly time to pause for breath from beginning to end.

Also tenuously on the theme of nationalism, is Graham McInnes' *Sushila.*

Sushila is the daughter of an Indian father, from the United Provinces, and an American mother from the New England States. Having met at university in the United States, these two marry and the New Englander tries to adopt India as her country. Her daughter succeeds in doing this where she fails, but becomes so intense about the poverty and the suffering and the overwhelming magnificence of her country that she wears herself out trying to paint it.

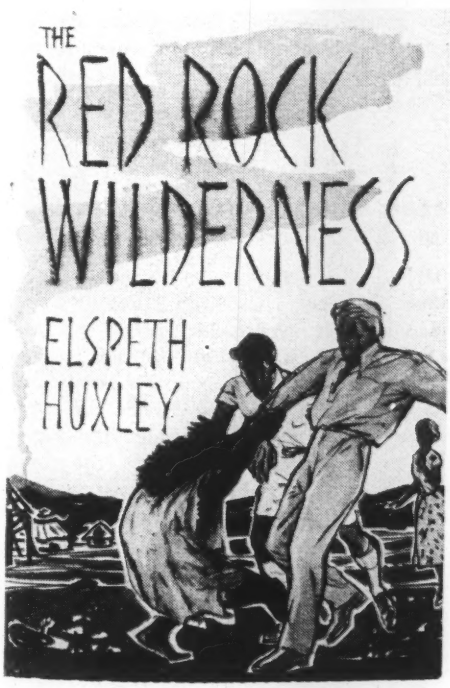
Trying to help her are a much older Indian artist, a somewhat older European archeologist and a contemporary nationalist, all of whom find her literally pale and interesting.

This pallor is further developed by Mr. McInnes who makes his poor Sushila tubercular as well as emotionally intense. She thus arrives at her final moment of vision by splashing red all over her canvas and dying in a pool of bloody phlegm on the floor.

Almost all the clichés of novel writing are in *Sushila*. The hot, humid climate oppresses the people in their minds as well as their bodies; the artist cannot make contact with her friends and family; when she is completely deflated by bad notices she can only restore herself by yielding her virginity to her teacher. After a life of struggle, bitterness, intense happiness and pain, the young artist dies at 25, mourned by all the humdrum characters who are less glad to be alive.

A fourth novel this week is quite unlike these three. It has no clichés. Indeed, it has only the bare minimum of conventions to make it recognizable as a novel. The story is muted, its characters are eccentric to a degree, the style is complicated, the method of narration is cumbrous.

Yet, through all the obtuseness and opacity there can be discerned the sensitive meditation of a noble mind. It follows that the fourth novel is by William Faulkner. Called *The Town* it is the second in a projected trilogy about the Snopes family. Lovers of Faulkner will admire it, people who are cool to his genius will not be budged from their viewpoint. But both, once they've started it, will probably read it to the end when the cooler weather comes.



Jacket Design

The Sandcastle, by Iris Murdoch — pp. 318. *Clarke, Irwin — $3.00.*

The Red Rock Wilderness, by Elspeth Huxley — pp. 256. *Clarke, Irwin—$3.00.*

Sushila, by Graham McInnes — pp. 336. *Clarke, Irwin — $3.75.*

The Town, by William Faulkner — pp. 371. *Random House — $3.95.*

Life and Strength

To the Four Winds, by Clare Sheridan—pp. 351 & photographs—*Andre Deutsch, Ltd.—$6.*

AGAINST A BACKDROP of the best British and European society, Clare Sheridan acted out the lively melodrama of her life as traveller, sculptress and seeker-out of the great. She was born into one distinguished family, and married into another; she grew up, as the phrase goes, knowing everybody who *was* anybody; she says she does not recall when she saw her first king.

This splendid connection, allied to her own courage and determination, has enabled her to hone her powerful ego to a particularly fine cutting edge. Only an extraordinary woman could have lived the life described in this book; only an extraordinary woman could have recorded it with so little regard for the impact of her actions on other people.

Her book is fluent, though not really well-written, but the public which relished her earlier self-revelatory volume, *Naked Truth,* will find this very much to their taste. It vibrates with life and strength, and it must be accounted courageous to have recorded without a blush so highly developed an egotism. B.E.N.

Tragic Clash

The Awakened by Zoe Oldenbourg—pp. 493—*McClelland & Stewart—$5.50.*

THE AUTHOR of this story is already known to readers of English as a writer of two brilliant, and distinctly heavyweight, historical romances. She writes from a capacious, richly-stored and philosophical mind, and in consequence her books have passages which make stern demands on the reader, and which seem to be gratuitously difficult until they are fitted into the total scheme of the work. In short, anything but a writer with whom

Clare Sheridan: Cutting edge

to idle away a quiet hour in the hammock. But if you are prepared to give yourself up to this story of the tragic clash between two refugee families—one Russian and one German-Jewish—in contemporary Paris, you will find it richly rewarding. The translation, by Edward Hymans, presents the book in a fine English garb. S.M.

The Sea Around

The Wonderful World of the Sea, by James Fisher—68 pages and fine coloured illustrations — *Doubleday — $3.49.*

HERE IS THAT rare thing, a picture book for adults which conveys a great deal of scientific information in a thoroughly agreeable way. Most of us know nothing about the vast waters which cover so much of the earth, and what has gone on in their depths, or on their surfaces. This book tells us how the seas came to be, what goes on in them, what man has been able to do to conquer the sea, and what we may yet hope to achieve in cropping the sea. Certainly this book ought to be in all libraries used by young people, but it will give greatest pleasure to the reader at home who will find that in its 68 pages, there are as many hours of fruitful study and speculation. S.M.

Craftsman's Life

Ringing the Changes. An Autobiography, by Mazo de la Roche—pp. 304 and illustrations—*Macmillan—$5.00.*

DEVOTED FOLLOWERS of Mazo de la Roche's *Jalna* stories will probably think that in her autobiography she has submerged the novelist in the householder and they will be disappointed in this. But her tendency to keep the creative

aspect of her life distinct from the humdrum of family routine emerged early in this author in the wonderfully imaginative Play she devised, elaborated and maintained from the age of seven, sharing it only with the cousin who played it with her. If she warns us off her creative life, she welcomes us warmly to her fireside to meet her kindred and friends.

And what interesting people they are! She writes about them with the affectionate understanding that has always made her fictional characters memorable. Indeed, she writes with such ease and charm that the composition of her considerable body of work is made to seem almost incidental to the task of supporting a household. The dreadful physical toll it exacted is made light of and what emerges is the picture of a valiant woman who has mastered her job.

Every once in a while the professional craftsman speaks: "I have little patience with writers who declare that all their works are composed in agony of spirit. This agonized creation seems to me affected . . . What the writer of fiction needs—first, last, and all the time—is a public. Its interest is the steady wind that fans the fire of his creative ability. All his 'agonizing' will not create a public for him." A delightful book. F.A.R.

Dreary Mess

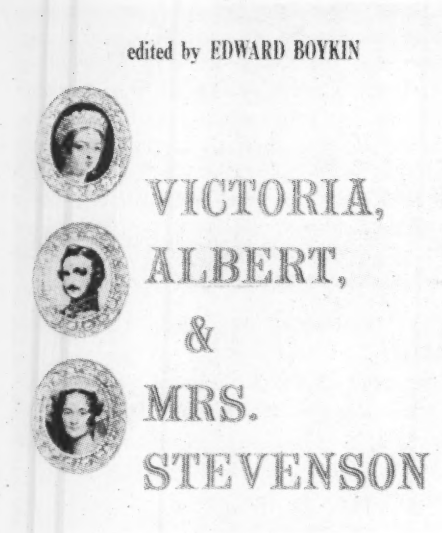
Leftover Life To Kill, by Caitlin Thomas —pp. 240—*McClelland and Stewart — $3.75*

IN PROSE RHYTHMS which sometimes recall those of her late husband, the widow of Dylan Thomas celebrates her grief and despair in this piteous book. She tells us how she has desperately sought numbness for her pain in a succession of squalid love affairs. She is bitter against virtually everyone who has tried to help her. For a time the reader may be distressed, but after a hundred pages or so he may suspect that much of this book is composed of self-inflating fantasy. He may then find it a badly-written bore. Plainly Mrs. Thomas is destroyed by the loss of her husband, but equally plainly she has had the industry to write this inept book. And if she had enough industry for that, she should have had enough intelligence to seek expert help, for she has made a mess of it. B.E.N.

At Court

Victoria, Albert and Mrs. Stevenson, edited by Edward Boykin—pp. 296— index and illustrations—*Rinehart—$5.00*

SALLIE COLES STEVENSON was the wife of the American ambassador to the court of St. James from 1836 to 1841. The letters she wrote to her family during this period have been collected and unobtrusively



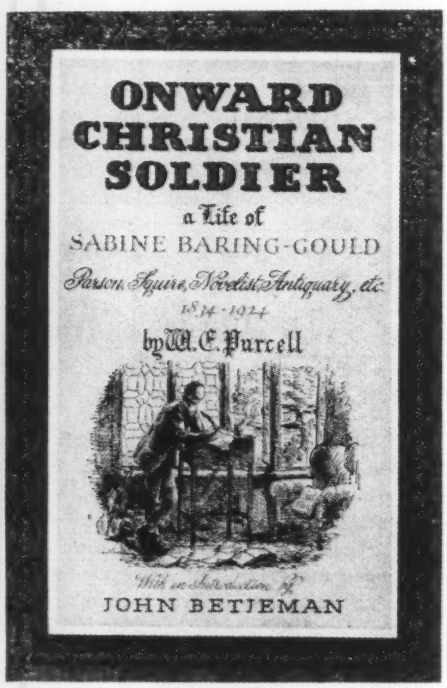
From the Jacket

edited by Edward Boykin. They reflect her warm-hearted nature, her devotion to her numerous relatives, her wit and resilience, and her lively republican curiosity about things monarchical. She entertained and was entertained by the notables of the period; she had a front seat for the coronation and marriage of Victoria, and, as fast as her pen could write them and the despatch-bag carry them, she shared all the doings of the ambassador's lady with her friends at home. An interesting piece of Victoriana. F.A.R.

Writing Rector

Onward Christian Soldier, by W. E. Purcell—pp. 180, illustrated and indexed—*Longmans Green—$4.25*

AT LAST WE HAVE a coherent and well-written account of the life of that extraordinary Victorian, the Rev. Sabine Baring-Gould, who was one of the most gifted, and also one of the most reclusive, men of his time. In his ninety years he wrote well over a hundred books—fiction, folklore, history and devotion—served faithfully as a parish priest (forty years at Lew Trenchard in Devon), and brought up a family of fifteen. His work ranged from a sixteen volume *Lives of the Saints* to hymns *(Now the day is over,* and *Onward, Christian soldiers)* which have been sung wherever his faith is known. Admirable, strange, undisciplined as a writer but sternly self-controlled as a man, his enthusiasms ranged from High Church Anglicanism to the collection of Devon folksongs (of which *Widdecombe Fair* is the best known). This sympathetic biography rescues him from a growing obscurity. S.M.



Jacket Design

Operation Sea Lion

Invasion 1940, by Peter Fleming—pp. 309—illustrations, bibliography, index—*British Book Service—$5.00.*

A RECORD using living sources which will not be available to historians of the future, not history which cannot be adequately written a mere seventeen years after the event, has been Mr. Fleming's aim in this detailed description of one of the minor events in a long war. The threatened invasion of Britain, which now appears mainly in its ludicrous and legendary aspects, made little impression on the Germans, but vividly affected the whole British nation.

Even Mr. Fleming's ironic detachment from his material cannot save a book that is not the last word from being knobby and undigested. To historians this will not matter. Neither will it matter to adults who remember the period and are still curious about the odd, often erratic happenings on the other side of the Channel. M.A.H.

The Long Arm

Much in Evidence, by Henry Cecil — pp. 192—*Michael Joseph—$3.00*

HERE IS a detective story in the sense that a robbery has been committed and a suspect is eventually brought to trial. Almost the whole tale unfolds in the course of the cross-examination of witnesses. The happenings outside the courtroom are only used as added illustration to the question being put to the court, which is: How far can you twist the long arm of coincidence without pulling it right out of the socket? It is by times drearily dull and long-winded, and then all of a sudden extremely funny. Henry Cecil is undoubtedly an acquired taste. If you liked his *Brothers in Law* or *Natural Causes,* you will certainly enjoy *Much in Evidence.* F. A. R.

The Lively Arts

by Mary Lowrey Ross

Monday Through Wednesday

RECENTLY I started in on an idle investigation of soap opera-land taking as my field of study *Guiding Light*, *Valiant Lady* and *Edge of Night* (Monday through Wednesday.) By Wednesday I was almost as confused as a soap opera character myself, and as hopelessly trapped as a fly on tanglefoot.

The announcer, it seems, no longer helps you out with a fill-in on yesterday's events and a resumé of tomorrow's. You are simply tossed in between commercials, to sink or swim as best you can. It is now Friday, and I am still swimming, though feebly. The experience has given me a new respect for soap opera watchers, some of whom follow the complete series through the week, keeping every situation in mind, a feat comparable to playing a dozen games of chess simultaneously.

To make things tough for the novice, the soap opera dramatist maintains at least six situations in every series, each situation with a different set of characters and all characters and situations mistily related to one another. Thus Mike, a smooth operator (*Edge of Night*) hopes to get office promotion over Ed, a plodder, and Ed confides in his wife who, during a bridge interval, confides in her best friend, who can't give the subject her entire attention because Mary, another bridge player, has just been summoned home by Robin, whose chronic heart condition is badly aggravated by the fact that Mary is in trouble with the insurance claims adjuster.

"Guiding Light": Susan Douglas.

Edge of Night, while fairly typical soap opera, is simpler than most. I am still struggling with *Guiding Light* and *Valiant Lady*, though I catch a clue here and there. Aunt Maida (Meta?) is obviously the guiding light. But what light does she supply for her sister-in-law who has just made a surprise return from Arizona, announcing stiffly that there are matters she prefers not to discuss?

"Edge": Larkin, Ames, Allenby.

And what is the tie-up between the heroine of *Valiant Lady* and the tremulous blonde who takes a long trip by air just so she can sit in the porch glider in the old home? "I feel it was right for me to go away, and it is right for me to come back," she tells the heroine; and then the organist pulls out the vox humana stop, the commercial comes on and the next minute we are in the Governor's Mansion with the Governor preparing to marry Mike's mother and the blonde nowhere in sight. For *Valiant Lady*, too, is constructed on the octopus plan, with each freshly devised situation a new tentacle, and every little character acting as a suction cup to hold the viewer-victim fixed and staring for weeks, or even years.

There was considerable prophesying, some years ago, that television would mean the decline of soap opera. As long as she had her radio day-time serial, it was pointed out, the housewife was comparatively mobile, and could move dreamily about the house with the world of Our Gal Sunday or Helen Trent playing busily about her ears wherever she went.

"Valiant Lady": Oakes & Kirkwood.

It was a world suspended in vacuum, free of time, space and any relation to reality, and its charm for the housewife was that merely by listening she herself helped create it. Observers felt that her part in this strange work of illusion would be distorted and spoiled if it were literally translated in terms of walls, ceilings, drapes, and, especially, faces.

The prophets hadn't counted on the strange fascination that soap opera holds for its followers, and still less on the fierce hold that the followers have established on soap opera. As it worked out, soap opera triumphantly survived television and survived on the followers' own terms. The housewife knew exactly what she wanted and exactly what she didn't want, and the sponsors met her demands with fine commercial sensitivity.

She didn't want a soap opera heroine designed to haunt, startle or waylay. That would do for the evening, when the men came home; but in the meantime, her specifications called for someone who could warn, comfort, command, and, especially, advise. She mustn't be too well-dressed either. So the heroine is usually turned out in house-dresses or modest prints whose shoulders sag a little, partly because she is carrying the burden of her world, and partly because of their unworldly cut. Then, for a fine touch of unworldly worldliness, she wears ear-rings in the kitchen. As for the inner woman, she matches the outer woman perfectly.

Not all the soap opera heroines were able to make the transfer from air to screen. Our Gal Sunday, with her dizzy adventures among the British aristocracy has failed to make the grade and so has Helen Trent, that frigid career-girl who draws the men like flies, then coldly swats them. These two have been filling the home with their chatter for years, but their actual presentation on the living-room screen would probably look too silly for even the most venturesome sponsor.

Meanwhile, I've got to get back to *Edge of Night*. Let's see now. What became of that poor young mother with her unwanted baby, and what was her tie-up with Ed and Mike?

Gold & Dross

Foreign steel interests—Why annual reports are important — British building-supply competition—Calling the tune on copper.

Sturgeon River

Could you comment on Sturgeon River which is bringing only one third of its high price established in 1956? — J. M. Peterborough.

Sturgeon River aims to bring its New Brunswick lead-zinc-silver property into production and is continuing underground work with this in view. Company officials hope to see a recovery in lead-zinc prices, which have declined drastically, by the time the property is ready for production.

The company is believed to be adequately financed for its current objective and anticipates no difficulty in raising funds for mill construction once ore is blocked out. Officials point out that much of the world's non-ferrous metal production is either marginal or completely uneconomic at present prices.

Sturgeon has sunk a shaft to 550 feet and established stations on the 200 and 500 horizons. Initial results in the ore zone on both levels have been up to expectations and additional possibilities have been encountered.

The company has other properties.

Dosco Bulge

What is back of the strength in Dominion Steel & Coal? Will the company benefit by the increased tariffs on steel which have been recommended by the tariff board? — A. N., Quebec.

There are several possible explanations for the bulge in Dosco, all of which stem from the fact that it is a high-class property on which the investment community has missed the boat until latterly.

Recent years have produced big appreciation in stocks of new iron-ore producers like Steep Rock and Labrador. Is it not equally logical to mark up Dosco? It has been mining iron ore in Newfoundland for a donkey's years.

Algoma Steel went up partly because of its low costs, based on its iron ore and its coal resources, the latter several hundred miles away in Virginia. Dosco has its coal mines beside its steel plant in Nova Scotia.

Another geographical advantage Dosco enjoys is the ability to ship iron ore and steel by water to world markets. This fact of transportation doubtless played a major part in its ability to put steel rails into Mexico the last few years; these orders have helped to sustain the operation.

In addition to its improved rating with investors, there is also the possibility that foreign steel interests wishing to enter Canada might select Dosco as a suitable vehicle for their operations. Purchase of an interest in Algoma by German industries provided important market leadership to Algoma.

Another chance worth considering about Dosco is that financial interests have recognized its intrinsic merit and are buying it up with a view to recapitalization.

Dosco would not appear to be any greater beneficiary of higher steel tariffs than any other primary steel producer in Canada. The effect of a possible change in tarriffs on the profits of industry may not be too great.

Steel Price

What will be the effect on the earnings of Steel of Canada of the hike of $5 a ton in the price of steel which the company recently announced? — C. H., London, Ont.

The effect of the boost to which you refer will not be great. Stelco really only increased one item — bars — by $5 a ton. The increases on other lines, which became effective on the same date as the advance in bars, had been announced several months ago.

British Imports

Have shareholders of building-materials companies anything to fear from the possible British competition in this market? — J. H., Montreal.

Although British manufacturers of building materials are being told by the UK Dollar-Export Council that the Canadian market is too good to miss, no one knows better than the Council that Canada is not an easy export market to crack.

What the British probably have their eye on is the 90% of Canadian-building

Imports now coming from the United States. British industry factors think they could win a considerable share of this business. Perhaps they could. But if they do, they will have to spend more money on sales promotion than in the past. The irony is that the very need for dollars which inspires the exports to Canada withholds the dollars required for sales promotion, North American variety.

For the foreseeable future British building-supply imports will be confined to the items in which Britain is already enjoying a good share of the market — steel shapes, fittings, etc.

Annual Reports

I am a young executive of a public company which has recently started to put out a more razzle-dazzle annual report; many other companies are doing the same thing. Just what benefit does a company get from providing a lot of operating details and fancy printing for shareholders? Companies used to issue simple annual reports and got along just as well.— W. F., Toronto.

Every company which aims to increase its share of the gross national product — and what company does not? — has the problem of financing the expansion and rehabilitation of its capital facilities. It is an important function of management to raise needed capital on the best terms possible. This involves an unremitting beating of the company drum in financial markets.

Investors are allergic to buying shares or debentures of little-known companies. Inherent in the annual report of a company is a capacity for getting favorable publicity for it in the financial community.

Companies playing up their annual reports are simply aiming to increase the impact on the investment community which their stock-exchange listing provides.

Copper Prices

The price of copper in the U.S. and Canada has declined drastically from the 50-cent level of two years ago. This loss of ground seems to have originated largely in prices established by the Rhodesian Selection Trust and on the London Metal Exchange. Does this mean that London is calling the tune for the rest of the world on copper? If so, would it not seem to be the part of wisdom for the investor in copper stocks to keep his eye fixed on London? — E. M., Detroit.

London has, from time immemorial, been an important market for metals and other commodities. This is simply a reflection of the British economy, which is considerably based on foreign trade. The

Bank of Montreal
Rights Expire August 9, 1957

Warrants evidencing the right to subscribe for additional capital stock at $30 expire on August 9, 1957. We suggest that shareholders exercise their rights by subscribing for additional shares, or sell such rights prior to August 9th, after which they become valueless.

The Bank of Montreal has paid dividends to its shareholders for 128 consecutive years. The current annual dividend rate is $1.40 per share and in addition an extra of 20 cents has been paid in each of the last 4 years.

The facilities of our organization are available to investors who wish to exercise their rights or to buy or sell rights or shares in the market.

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Anglo-Newfoundland
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Bailey Selburn
Brazilian Traction
B. C. Forest
B. C. Packers "A"
B. C. Packers "B"
Burns & Co.
Calgary Power
Canada Cement
Canada Iron Foundries
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Canadian Dredge
Cdn. Fairbanks Morse
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Canadian Industries
Canadian Vickers
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Dom. Magnesium
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Du Pont of Canada
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Eddy Paper "A"
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McColl-Frontenac
Mexican L. & P.
Mid-Western Indust. Gas
M. & O. Paper
Molson's "A"
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Noranda
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Power Corporation
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British have been large exporters of capital and among the projects they financed is the development of copper mines in Rhodesia.

Britain and Chile seem to control the free world copper market outside the United States. The British experience in adjusting the copper price to the vagaries of supply and demand is regarded as sufficiently conclusive by American copper producers to use as a guide in establishing prices for their output.

Another important influence in the red-metal market on this side of the Atlantic is British purchases of scrap copper. These are on a broad scale. It is probably not realized by the average holder of copper stocks that scrap metal bears importantly on the price level of primary metal.

While current prospects suggest the possibility of the U.S. government having to support copper, the metal does not appear to be overpriced in relation to the prices of commodities generally, or of other metals.

The present time is opportune for holders of Canadian copper stocks to review the background of the metal, the part which it is playing in the growing electrification of the world and its contribution to the Canadian economy. This looks like a spot for shareholders in copper producers to add to their commitments.

Shirriff-Horsey

In your opinion was the purchase of Salada Tea Company by Shirriff-Horsey Corporation a good thing for Shirriff shareholders? — H. W., Ottawa.

The Shirriff shareholder can scarcely regard his company's purchase of Salada Tea as anything but a favorable development. It adds to the already strong position of Shirriff in the food world. The cost of acquiring Salada Tea, which also operates in the U.S., was about $14 million.

From an operating standpoint the advantage will be that the Shirriff sales organization will be able to distribute tea and the effect of this should be to give the Salada Tea division a more favorable sales cost than was experienced as a separate corporation. There is also the fact that the tea business will represent an opportunity for expansion on its own account.

Cochrane-Dunlop

What is the outlook for continued dividends by Cochrane-Dunlop Hardware which has just announced dividends on its common shares? — J. I., Truro, N.S.

Cochrane-Dunlop declared a quarterly dividend of 20 cents a share on the common plus 40 cents in redeemable preferred stock. The company could easily support dividends of upwards of $1 a share per year, having earned several times this amount during 1956.

The company is in the wholesale hardware business and has a large trade in the northern or mining section of Ontario.

The company has a strong cash position but since it is relatively small for a public corporation, athough a large unit in its field, its position and outlook have not had the impact on investors' ideas of value which might otherwise be expected.

Teck-Hughes

Is there anything encouraging in the situation at Teck-Hughes for the shareholder? —J. B., Winnipeg.

While there is nothing spectacular about Teck-Hughes, there are good reasons for the willingness of stock buyers to put recent valuations on the stock. Teck has three areas of operation — the original mine at Kirkland Lake, the Lamaque subsidiary, and the possibilities inherent in the combination of the company's financial position and know-how in the mining game.

The company continues to win modest profits from its Kirkland Lake gold mine, which has been considered as on a salvage basis for some years now. The consistency with which this operation hangs on is just one more illustration of the truth of the old adage that a good mine dies hard.

Lamaque is an interesting operation in Quebec and appears to be well situated to benefit from any improvement in basic conditions for the yellow-metal industry.

Old-established mining companies get the pick of new properties to choose from and Teck additionally maintains an exploration arm of its own. The possibility of its securing some property with interesting showings is not to be dismissed lightly. In fact, it is a matter of very real moment to the speculators who study stock values and assess possibilities.

Wiltsey-Coghlan

Would you recommend a flier in Wiltsey-Coghlan?—J. O., Peterboro, Ont.

Wiltsey-Coghlan is highly speculative. The company plans an active season in exploration, having raised $150,000 since the end of 1956 through issuance of 800,000 shares, bringing outstanding capitalization to 4,800,000 of 6,000,000 authorized shares.

The company's three main interests are in the Sudbury Basin of Ontario and in the Dufresnoy and Rouyn districts of Quebec.

The company plans to drill holes to

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epths of 1,000 feet on the Sudbury property, as a result of information gained from the depth program at the adjoining Falconbridge ground.

It has made an agreement with Waite Amulet Mines, holding property adjoining Wiltsey's Dufresnoy claims, whereby Waite will explore the Wiltsey holdings. Exploration will be via a drift on the Waite 1,000 level eastward into Wiltsey.

Drilling is to be done on Wiltsey's Rouyn property, adjoining Noranda.

Goldale

What is the status of Goldale?—M. H. Windsor.

Goldale is a holding-exploration company with good financial position and this enables it to continue its policy of participating, along with other mining interests, in prospecting and exploration programs. The chance that Goldale will eventually get lucky lends attraction to it. Obviously, it is highly speculative.

One of the company's latest ventures is a 10% financing interest in Kyak Quebec Mines Ltd., which holds two concessions in the Ungava nickel-copper belt. The other 90% is held by Newlund Mines.

Goldale also took a 10% interest in Dex Syndicate, working in the Lake La Ronge area of Saskatchewan and eastward to the Manitoba border. Goldale is participating in properties in the Shebandown and Beardmore sections of Ontario. Interests are held in Eldrich Mines, Jean Lake Lithium Mines and Towagmac Exploration Co.

This run down of interests will enable you to watch for news of the company.

In Brief

Why did Consolidated Nicholson terminate operations at Lake Athabaska?—S.C., Winnipeg.

Consolidated Nicholson saw little chance of profitable operation when Eldorado Mining & Smelting restricted the amount of ore it would take from Nicholson, dropped 10% off the price, increased minimum cut-off grade by 25% and withdrew the haulage subsidy. The high content of lime associated with Nicholson ores precluded the possibility of shipping them to Eldorado's acid-leach customs plant for treatment.

How is Can-Met Explorations making out on its uranium property at Blind River?—S. F., Guelph, Ont.

Can-Met's progress is up to schedule and it should soon be receiving revenues from sale of uranium concentrates.

What is the status of McKenzie Red Lake Gold Mines?—M. H., Toronto.

McKenzie's future is dependent on results obtained from the current underground program and it may take a few weeks

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LOBLAW GROCETERIAS CO. LIMITED

Notice is hereby given that a dividend for quarter ending August 31, 1957, has been declared on the Capital stock of the Company as follows:

First Preference Shares, Cumulative Redeemable, Series "A"	37½ cents per share
Second Preference Shares	51½ cents per share
Common Shares	51½ cents per share

The dividend will be payable September 3, 1957, to shareholders of record at close of business on the 7th day of August, 1957. The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board.

R. G. MEECH,
Secretary.

Toronto, July 12th, 1957.

LOBLAW COMPANIES LIMITED

Notice is hereby given that a dividend for quarter ending August 31, 1957, has been declared on the Capital stock of the Company as follows:

Preferred Shares Cumulative Redeemable	60 cents per share
Class "A" Shares	10 cents per share
Class "B" Shares	10 cents per share

The dividend will be payable September 3, 1957, to shareholders of record at close of business on the 7th day of August, 1957. The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board.

R. G. MEECH,
Secretary.

Toronto, July 12, 1957.

SIMPSONS, LIMITED

COMMON SHARES

Dividend Notice

NOTICE is hereby given that a Dividend of twelve and one-half cents (12½c.) per share on the outstanding Common Shares of the Company has been declared payable September 16, 1957 to shareholders of record as at the close of business on Aug. 15, 1957. The transfer books will not be closed.

Toronto, July 19, 1957.

Frank Hay,
Secretary and Treasurer

By order of the Board.

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yet to reach a decisive area. The operation is currently being run at a slight loss after paying for heavy development.

Is there any significance in Noranda's taking an interest in the Coldstream copper property? — M. J., Kitchener, Ont.

As a refiner of copper, as well as a miner, Noranda's policy has been to secure feed for its metal plants by acquiring participations in new copper-ore producers at economic prices.

How will Pacific Nickel sell its output?— J. G., Vancouver.

Pacific Nickel will have no problem selling nickel in the domestic market and has arranged sales to European buyers for 1958, 1959 and 1960.

Anything doing at Francoeur? — W. B., Hamilton.

Francoeur retains its original gold property and has more recently entered the Snow Lake section of Manitoba.

When will Maritimes Mining be producing? — M. H., Barrie, Ont.

About the end of August.

How would you rate Goldcrest?—M.N., Sherbrooke, Que.

Strictly as an exploration bet.

How is Macassa doing?—M. H., Detroit, Mich.

Increasing its ore reserves and its milling rate.

What is Atlin-Ruffner doing?—J. R., Cornwall.

Looking for iron in Montgomery Twp., Northern Quebec.

Has Ventures dropping of Osisko any significance? — D. C., Montreal.

Probably that McIntyre interest in Ventures is starting to clean house. Osisko remains a property with a location best described as "intriguing." It's been drilled until it looks like a piece of Swiss cheese but never write off one with its location on the Main Street of Rouyn-Noranda.

What is Young Davidson doing now that operation of its gold mine is finished?— A. B., Welland, Ont.

Concentrating on exploration for a new property.

What happened to Coppercorp? — H. D., Ottawa.

Another victim of the sinking spell in the price of copper. But watch this one if the red metal firms up.

THE ROYAL BANK OF CANADA

Dividend No. 280

Notice is hereby given that a dividend at the rate of **fifty cents** per share upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Tuesday, the 3rd day of September, 1957, to shareholders of record at the close of business on the 31st day of July, 1957.

By Order of the Board.
K. M. SEDGEWICK,
General Manager.
Montreal, Que., July 16, 1957.

Stanfield

CONTINUED FROM PAGE 15

After leaving school, Robert Stanfield became a counsel for the Acadia Trust Company, a family company in Truro. In World War Two he was turned down for military service, and served as Halifax Rentals Administrator for the Wartime Prices and Trade Board from 1942 to 1945. Following the war he helped form the law firm of McInnes and Stanfield in Halifax, along with a friend, Russ McInnes.

He entered provincial politics in 1947, becoming president of the Nova Scotia Progressive - Conservative Association, and in 1949, along with six supporting members, he formed the opposition in the Nova Scotia House. In 1953 he increased the Progressive-Conservative House representation to 12 members, later picked up a 13th seat in a by-election in Halifax South on the death of former premier Angus L. MacDonald. He succeeded Liberal Henry D. Hicks as premier last fall.

An Anglican and non-smoker ("I was a heavy smoker until I quit three years ago"), Premier Stanfield is a keen horticulturist, avoids publicity, is thought to be profoundly shy ("I believe in personal privacy.") and used to be very fond of boating before taking on the duties of provincial leader.

Somewhere or other he picked up the reputation of being an awkward orator, but it was not apparent in my conversations with him. Some of his associates say that he has a positive genius for letting people underrate him, and this I can well believe. A magazine article about him stated that when asked to speak before the Commercial Club in Halifax, Stanfield took literally the club's proclamation that it was non-political, and spoke for an hour on gardening. He laughs off the inaccuracy by saying, "I really only spoke for about fifteen minutes."

Robert Stanfield suffered a personal tragedy three years ago when his wife, the former Joyce Frazee of Vancouver, was killed in a car accident, leaving four children, the oldest one now fifteen years of age. In March of this year he married Mary Margaret Hall, daughter of a Nova Scotia Supreme Court Justice, in what his secretary, Mary MacKinnon says was the best-kept secret in the province. The press only discovered the marriage when he and his wife were on the plane bound for New York.

A member of the Halifax Club, Waegwoltic Club, and the Royal Nova Scotia Yacht Squadron, Premier Stanfield has no hobbies other than gardening, and does little reading today, although he prefers novels, history and biography. In answer to the charge that he is still not on a first name basis with many of his friends, he answers, "Nova Scotians don't go in for first names as much as other Canadians do."

Since taking office there have been surprisingly few changes in the ranks of provincial employees. "The only employment changes that have been made were in the case of members of the Liquor Control Board, etc., where some incumbents actively participated in politics on behalf of the Liberals."

What is your attitude on the liquor laws?

"I am under substantial pressure from both wets and drys on the question of cocktail bars, but there will be no substantial changes made in the near future."

What is your biggest challenge as Premier?

"It is the challenge to all of us in Nova Scotia; development of the province. The emphasis is on industrial development. I consider this to be the prime question of any provincial government down here."

You are also Minister of Education, Mr. Stanfield. What is your biggest challenge here?

"To work out some way of securing wider educational facilities without raising taxes too high. We must assure an adequate supply of teachers, and put salaries on as high a level as possible with, once again, not raising taxes too much."

Knowing that no man is a hero to his valet—or his secretary—after I had been accompanied to the door of his office by the Premier, I asked the secretary, Mary MacKinnon, what kind of a man her boss was.

"He's great," she said.

"Have you been with him long?"

"Since he became Premier. I used to be the secretary to Premier Hicks until last November."

"Don't you find it strange being the private secretary to both a Liberal and Conservative premier of the province?"

"Not at all," she said. "Personally, I'm strictly neutral."

Which, I think, says just about everything anyone needs to know about the Hon. Robert Lorne Stanfield.

Dr. Joseph Retty

The Iron Geologist

In 1937 an Indian trapper helped him discover one of the biggest iron ore deposits in the world. He claims it was just plain luck.

A MAN WALKED into an office on Montreal's busy St. James St. recently, with a proposition. He wanted the short, stocky man behind the desk to stake out and explore an iron ore mine in Ungava. The offer was declined.

The man behind the desk was Princeton-educated Dr. Joseph A. Retty, consulting geologist, pioneer prospector and discoverer of high grade iron ore in the now-famous Ungava district of Quebec-Labrador. Twenty years ago, he would have been eager to accept such an offer. But getting exploration rights in the Quebec north today is not the simple procedure it was when Dr. Retty first entered the area in 1936. Quite apart from that, the geologist felt that he has done his share of pioneering.

At 52, Retty has had an intimate part in the discovery of the Ungava iron ore field and its phenomenal growth. Now he shares its coming of age, academically, by teaching economic geology at Ecole Polytechnique, and professionally, from his office in Montreal's financial district, where he acts as a consultant to private interests.

"I guess I'm a bit of an individualist, but I enjoy my freedom as a private consultant. When I worked for the larger companies I always felt I was becoming so departmentalized. There wasn't the same freedom of expression", he explains.

Born in Fort Coulonge, Quebec, Retty enrolled at Ottawa University after completing high school and graduated in 1926 with a B.A. degree. His natural interest in geology led him into post graduate work at Princeton University where he received his Ph.D. in 1931. After graduation he acted as a consulting engineer for a number of mining companies before becoming chief geologist with the Labrador Mining and Exploration Co. Ltd. He then worked with the Quebec Department of Mines and the Geological Survey of Canada while acting as part-time professor on the faculty of engineering at the University of Montreal.

Retty spent the hectic post-war years as chief geologist with the Iron Ore Co. of Canada until he resigned in 1952 to go into private practice.

He is still amazed at the apparently unquenchable thirst for knowledge about Ungava. "People still keep calling to tell me that somebody in Knob Lake, or one of the other sites, mentioned me. They say I would know a lot about Ungava. The way I see it, I just happened to be working in the right place at the time when the iron ore industry was about to be born."

That was in 1936, the year the late U.S. businessman A. H. MacKay financed a mineral survey team in Ungava. Dr. Retty was head of that team. The existence of iron ore was known then, but there was no evidence that the ore was of marketable quality. It was largely an uncharted land. The latest maps of the region had been drawn by a survey team in 1893.

"At that time the explorer's most potent weapons were prospector's picks and Brunton compasses. Aircraft and canoes were the only means of transportation. And speaking of aircraft, I can remember making 19 flights on the same plane in one day", he recalls.

It was in the summer of 1937 that the significant find came. In the interior of Ungava, the geologist met Mathieu André, an Indian trapper. André showed him a small rock which was found to contain high grade iron ore. It was a chip from a medium-size deposit. The deposit was not large, yet, it proved to all who doubted, that iron ore concentrates were there in marketable quantity. Seventeen years later, the first shipment of iron ore concentrates moved to the steel mills of the United States.

To Mathieu André, the Indian trapper, the birth of the iron ore age in northern Quebec meant little. In later years he did, however, gain a small measure of local renown when his fellow Montagnais tribesmen named him chief of his settlement. Dr. Retty's immediate reward was a small bonus and a renewal of his conviction that there was iron ore galore in the region.

When he manages to snatch a few idle days from his schedule, Retty, his wife and 10-year-old daughter drive to their country home in the Pontiac country. "My greatest form of relaxation", he says, "is going to our old home on week-ends and talking over the cracker barrel with men I knew when I was growing up."

The country home, he says, is appreciated because it is a complete change from an active to a sedentary life. Yet he enjoys his brisk business schedule. This urge to be on the go may help explain why he sometimes finds teaching a bit static, a feeling that is tempered by the satisfaction of contributing something to the advancement of a new generation of geologists.

"There were 26 young fellows who graduated in geology at school this spring," he said. "That's the biggest number on record.

"Every one of those young men is assured of an immediate job, and believe me, there's work for many more people in our business", he points out.

Today Dr. Retty is regarded as a sort of "elder statesman" among the corps of explorers and geologists who have opened up the Ungava territory. He hasn't however, become wealthy.

"Somebody once told me", he said, "that I didn't have business acumen. I don't particularly care. I'm a geologist, not a financier."

Your Taxes

by Garfield P. Smith, CA

Withholding Tax

A resident of New York has loaned me $10,000 for use in my business. Repayments of principal plus interest are made on this loan monthly. Am I required to withhold any tax on the monthly remittances? — W. T. Toronto.

The general rule is that a tax deduction of 15% must be withheld from interest paid to non-residents. No deduction is required in respect of repayments of principal. The tax so deducted must be remitted to the taxation division by the 15th of the following month. One exception to this general rule is that the deduction need not be made from interest payable in a currency other than Canadian currency, to a person with whom you are dealing at arm's length. In your case, if you were not related to your creditor, and you had borrowed $10,000 in U.S. Funds, and the interest was payable in U.S. Funds without being computed by reference to Canadian currency, then you would not be required to deduct the 15% withholding tax.

Mortage in Lieu

One of my customers owes me about $2,000. This account has been outstanding for some time and at present he is unable to make any payments. In order to clear up his account, he has offered to give me a second mortgage on his home. The mortgage calls for monthly payments of principal and interest and will mature in three years. In the past I have been carrying a bad debt reserve for this account. May I continue to carry this reserve until the mortgage is paid up? — C. L. R. Vancouver.

Where a mortgage is taken over in satisfaction of an income debt, the value of the mortgage is included in computing income.

For example, if your customer owed you $2,000, and in satisfaction thereof gave you a mortgage on his home for $2,000, you will compute your income as though he had paid you the value of the mortgage. Although the face value of the mortgage is $2,000, the value of such mortgage on the open market may be some lesser amount. If the market value of the mortgage is $1,500, then $1,500 will be the amount to be brought into income rather than the $2,000 owed to you by your customer. If the $2,000 has been included in income in a previous year the difference of $500 may be deducted.

The bad debt reserve carried on this account will have to be reversed and brought into income in this year. No reserve may be deducted in respect of a mortgage taken over in this manner, and no adjustment may be made to income in respect of the amount ultimately realized on the mortgage. For example, should the mortgage be paid in full or be sold at a profit, no amount will be required to be brought into income beyond the $1,500 originally included. On the other hand should the mortgage be disposed of at a loss in relation to the original $1,500 amount, such loss may not be deducted from income.

Capital Cost Allowance

What is the rate of capital cost allowance which may be claimed on elevators? — O. G. W. Winnipeg.

The rate of capital cost allowance applicable to an elevator depends on the type of building in which the elevator is installed. A rate of 10% per annum may be deducted in respect of buildings of frame, log, stucco on frame, galvanized iron or corrugated iron. The rate on other buildings is 5%. In either case the rate applies to the building including component parts such as electric wiring, plumbing, sprinkler systems, air-conditioning equipment, heating equipment, lighting fixtures, elevators and escalators.

Salary to Wife

I am the principal shareholder of a corporation which operates a small business. My wife helps out considerably in operating the business and I would like to pay her a salary. I have been told that this is permissible, but I have also been told that a husband may not pay his wife a salary. Can you advise me in this matter? — R. H. B. Hamilton.

Where a wife receives a salary as an employee of her husband, he may not deduct such salary as an expense in computing his income, and accordingly, his wife will not be required to include the salary in her income.

However, if the business is being carried on by a corporation, then the salary received by the wife for services rendered to the corporation will be received as an employee of the corporation and not as an employee of her husband. A corporation is by law a separate person from the person or persons who may be its shareholders. One of the advantages of incorporation, is that a husband and wife may each draw salaries from the corporation, and such salaries are deductible in computing the income of the corporation. The husband and wife of course, must each include their respective salaries in computing their incomes.

It should be borne in mind that where a salary paid is unreasonable in relation to the services performed by the recipient thereof, a portion of such salary may be disallowed as an expense of the company to the extent that the salary is considered unreasonable.

Overpayment of Tax

What is the rate of interest allowed by the Department on overpayment of income tax? — R. O. S. Kingston.

Ordinarily, where tax has been overpaid, interest will be allowed at the rate of 2% per annum on such overpayment. The interest is computed from (a) the day when the overpayment arose, (b) the last day on which the return should have been filed, or (c) the day when the return was actually filed, whichever date is the latest. Where an assessment has been reduced as the result of filing a Notice of Objection or a Notice of Appeal, the interest applicable to the overpayment arising from such decrease will be computed at 6% per annum instead of 2%.

Appeals

Do the same rights of objection or appeal apply to gift tax assessments that apply to ordinary income tax assessments? — F. L. M. Kingston.

Yes. If you wish to appeal an assessment, you must first file a Notice of Objection within sixty days from the date of mailing of the Notice of Assessment. After filing the Notice of Objection, you will be notified by the Minister of his decision to confirm or change the assessment. Within ninety days of receiving such notification, you may appeal to the Income Tax Appeal Board or to the Exchequer Court of Canada.

If the appeal is to the Income Tax Appeal Board, you still have the privilege of appealing to the Exchequer Court within 120 days from the date of mailing of the Appeal Board decision. If the Income Tax Appeal Board rules in your favour, the Minister of National Revenue also has the right of appealing to the Exchequer Court of Canada. In several instances, income tax appeals have been carried to the Supreme Court of Canada.

Insurance

by William Sclater

Goods in Transport

Our company has suffered considerable losses shipping goods to different destinations so that railways, trucks and sometimes even ships are involved in the transportation of one shipment. While the carriers have a liability it is only to a limited extent and while it is not their fault in many cases we have suffered quite heavy losses. What is the best type of insurance to meet this problem? — L.H., Winnipeg.

Transportation insurance, but it has to be written to meet your specific needs. There are definite limitations to the protection afforded by Bills of Lading and the ordinary Public Carrier liability. A trucker is only required to carry a certain amount of coverage by law and this is to cover the whole cargo and not individual packages. Express companies have declared limits of liability and also time limits on responsibility after arrival and notification of destination.

What you require is an insurance coverage that will not encumber you from using the normal channels of transportation at regular rates but will become effective beyond their limits of liability and responsibility. There are many perils, causes of loss and damage from which the ordinary carrier is specifically exempted by law, from liability thereto.

A single shipment may be handled by one or several carriers while in transit from point of shipment to point of destination, subject to the hazards of loading and unloading and exposure while left on shipping docks or at transfer points. What is needed therefore is an all-risks form with a possible optional clause against loss by theft, pilferage and non-delivery.

With regard to the latter point it should be noted that Transportation insurance does not cover loss or damage to export or import shipments while ocean marine insurance is effective. It is before the ocean marine cover takes over, or after it ceases to be effective that Transportation insurance comes into the picture.

It is a most adaptable coverage and, coming under the Inland Marine floater classification has a most advantageous flexibility. It can, for example, afford blanket-type coverage on an annual or longer-term basis on all goods or merchandise shipped by or to a manufacturer, retailer or other business concern while in transit from shipper to the consignee and while in the care and custody of any common carrier recorded in the policy.

All the Insured has to do under the All-Risks type is to keep an accurate record of all goods and merchandise shipped during the term of the contract, which may be for 12 months or more, and report this to the underwriters at the end of the term, stating the insured values covered. This ensures automatic protection of all shipments during the term of coverage. In addition to other advances it makes possible a guarantee by the shipper of delivery or replacement at no extra cost. Premium rates for all-risk coverage of this type are calculated on the basis of the value of the merchandise or property shipped and insured, with due account of past experience, carriers and routes.

Best way to approach it is have a well-experienced agent look over the situation or, better still, have him take you to one of the experienced company underwriters in this field, such as the Western Assurance Company, with head offices in Toronto for example, a company which is well-equipped with specialists in this type of coverage and has a big fund of practical experience to draw upon for the requirements of any individual case.

Hand Accidents

What do you consider to be the most disabling type of accident? Would it be injuries to the legs?—B.H., Montreal.

It would be difficult to make a hard and fast statement in that respect. However I do know that Professor Couch, speaking in Toronto recently, said accidents to the hands can be more disabling than cancer of the stomach or gall stones. He said that 28% of the accidents that occur in Ontario involve the hands and they are especially important because of the disability which results.

Fire and Casualty Rates

My insurance agent tells me that fire and casualty insurance rates are low just now. How does he figure that out?—J.M., Ottawa.

Since fire and casualty rates must be averaged over a reasonable period so that they will not be arbitrarily affected by a sudden rare calamity or an especially fire-free or accident-free period relative to experience, they go up or down very slowly. Fire and casualty companies may therefore suffer comparatively heavy losses before these show up in rising rates.

We are in such a period at present. Losses are heavy but rates are not compensating as yet and are still probably too low to provide a fair average against the losses. There is tremendous competition in the insurance business. One company, the Union Insurance Society of Canton, drew attention to this recently by pointing out that 356 business and industrial companies, not connected with insurance, had earned profits of over $1,000,000,000. In contrast to this the earnings of 271 Dominion licensed fire and casualty insurance companies showed a loss of approximately $29,000,000, and this was only part of the total insurance company loss.

This is what your agent probably means when he says rates are low. They are. You are buying your fire and casualty insurance below cost in many instances today.

Tax Deduction

How can I claim tax deduction on my present life insurance policies under the new Income Tax Amendment that allows 10% of income to go on to an approved plan without taxation?—J.H., Toronto.

Better see your life insurance agent. You will have to sign an application to modify your policy in accordance with the requirements of the act to make it eligible. The tax deduction claim can be made to apply to the savings portion of the policy only, if you are eligible and you cannot then use the policy for loans or anything like that. Tax is payable on all registered retirement savings plan income when it is being paid to you on completion at age 60, 65 or whatever age you elect beyond that. Should you apply to cancel your plan before completion a tax of not less than 25% will apply to the refundable amount. It is a good thing to weigh the pros and cons of this very carefully where existing policies are concerned.

Passenger Protection

Does my auto insurance protect other people riding in my car with me if I have an accident and they are injured?—N.T., Oshawa.

Depends on your policy, if such a coverage is written into it. You have no legal liability for people you invite to ride in your car with you but you do have a moral responsibility. You can buy a medical expense protection, to be added to your policy, that will allow payment of up to $500 per person for medical expense in the event they suffer injury while riding as passengers in your car (non-paying of course). Annual premium cost added to your policy for this would amount to approximately $4.

Freewheeling Justice

CONTINUED FROM PAGE 11

always been the law and it still is.

Now when Chief Justice Vinson wrote the majority opinion for the Supreme Court in 1951 in the Dennis case, involving the trial of the major Communist leaders in the United States, he left the impression that the Communist party was a conspiracy aimed at the overthrow of the American government and that mere advocacy of Communist views was enough to bring one into violation of the Smith Act. In actual fact, Chief Justice Vinson had said no such thing but this false impression took root, partly because Mr. Justice Douglas in an eloquent dissent accused the Court majority of striking at thought as distinct from action. The new ruling, as expressed in Mr. Justice Harlan's judgment, removes this obscurity. It makes it clear that the Smith Act extends only to that particular kind of speech or advocacy designed to promote the forcible overthrow of government. There is no attempt to punish mere opinion, unless it is opinion plainly intended as an incitement to violence. The pillars of security erected by the Smith Act against violence still stand. It is only the area of free speech and assembly, even within the limits of this act, that have been defined with more scrupulous care.

(In Canada, the first effective interference with organized Communism was in 1931 when eight men were arrested under section 98 of the Criminal Code which was rescinded by parliament in 1936.

It was charged that "the communist party is a non-lawful association within the meaning of the Criminal Code section 98" and some of the particulars of the charges were:

"That its professed purpose, or one of its purposes, is to bring about governmental, industrial and economic change within Canada by the use of force and violence and physical injury to persons and property by threats of such injury."

The men were found guilty and sentenced to five years and the Court of Appeal in Ontario upheld the convictions.

There is now no specific act in Canada dealing with subversive activities of communists but, until the recent decision of the Supreme Court of Canada in the case of Switzman V. Elbling, one such statute appeared on the books of the Quebec legislature. The Quebec "Padlock Law" was enacted in 1941 and remained in force until the supreme court declared it unconstitutional early this year.

Communists are treated no differently than other members of the public in Canada. All are subject to part 2 of the Criminal Code, which, under the heading of "Offenses Against Public Order", provides penalties for the well-known crimes of treason, sedition, unlawful assembly and riot.)

In the Jencks case, the Court ruled that the Department of Justice must make the relevant FBI files available to the accused in a criminal trial once the Department, on its own initiative, decides to put its agent or informant in the witness box. This decision is by no means as far-reaching or unprecedented as it has been made out to be in the current controversy. Relevent FBI documents have been inspected on occasion by a trial judge when the defence counsel had impeached the integrity of a witness. The judge, with the consent of the Attorney-General, examined the files to determine whether they sustained or contradicted the evidence given in court. But this procedure failed, for two reasons, to satisfy the Supreme Court. In the first place, most members of the Supreme Court believed that the accused should have the right to examine all the evidence against him without first having to challenge a witness's integrity. The majority also believed that the examination of the documents could easily become more luminous with meaning if they were studied by the defence counsel, steeped in the facts of the case and vigilant to protect the rights of his client, than if they were scrutinized by a judge alone.

The Court's majority in the Jencks case declared without qualification that the "practice of producing government documents to the trial judge for his determination of relevancy and materiality, without hearing the accused, is disapproved." Mr. Justice Burton, however, in his concurring opinion, defended the practice of giving this responsibility to the trial judge. The Department of Justice hopes that Congress will write a new law in accordance with the Burton judgment and that the Supreme Court on reflection will refrain from knocking down this statute as unconstitutional.

(In Canada, where the Common Law system is followed, the situation is similar to that provided for by the U.S. Supreme Court, that where the accused person had been investigated and a record kept of the investigation, the judge could not decide whether the record was relevant and material to the issue of guilt or to the answers of the accused, without giving defence counsel an opportunity to scrutinize the record.)

Of all the decisions the one in the Watkins case has aroused the most controversy.

The relation of the Bill of Rights to the actions of Congressional committees came before the Supreme Court for the first time in clear and unmistakable form in the disturbed period after 1945. In Quinn V. United States, the Court held in 1955 that the power to investigate, though broad, is subject to recognized limitations. After enumerating various restraints, it added that "still further limitations on the power to investigate are found in the specific individual guarantees of the Bill of Rights." At issue in that case was the use of the Fifth Amendment protecting one against self-incrimination. The Watkins case extends this limitation to the First Amendment which shelters personal rights.

It is important to realize that Watkins never took refuge under the First Amendment, when he appeared under subpoena for the two members of the House Un-American Activities Committee. He simply asked for a court decision to determine whether the committee had the right to put these questions to him and to hold him in contempt for refusing to answer them in the absence of this judicial verdict.

Watkins had already exposed himself. He freely admitted numerous associations with Communists over a span of years. He refused to answer only when the questions concerned other individuals who, to his "best knowledge and belief", had since left the Communist party.

Neither the Justice Department nor the American Bar Association treated the principle raised by Watkins as a question of conscience. Both interpreted his silence as a protection for other people. Both made the mistake of ignoring the torment which one suffers when confronted under compulsion with the choice of turning informer or else standing in peril of being indicted for contempt. Both ignored the authority of the Bill of Rights or, more precisely, made it yield to the mandates of security. Both placed security before freedom. Both were held to be wrong, for the Supreme Court ruled that national security cannot be bought at a price of personal freedom.

The Court was told that a committee sometimes must engage in exposure because that is the only sanction open to it. This argument may be valid for a committee of Congress but why should it prevail with the Supreme Court? The entire authority of Congress cannot invade by law the freedoms guaranteed in the First Amendment. Why should a committee, a subordinate agent, have the power to do by investigation what Congress itself cannot do under any statute?

Not all liberties however are enshrined in the Bill of Rights. That is why the Court's decision in the Sweezey case is so important. The Court has ruled that academic freedom is a sacred right which cannot be invaded or abridged by any legisla.ure merely because the professor's views are unpopular or heretical or disturbing. In the vast context of history this decision may be immeasurably more significant than the Court's verdict that Mr. Watkins and Mr. Arthur Miller can escape the humiliating role of an informer.

Our Navy

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We have 15 destroyer escorts in commission, including our modernized World War II class; six of the 15 are of the new St. Laurent class.

The bulk of our seapower is in anti-submarine ships and of these the most interesting are the St. Laurent class, all 14 of which are being built in Canadian shipyards. Of 2,000 net tons, 360 feet in length and with a rated speed of 23 knots, these ships are fitted with three-inch dual-purpose automatic guns, Bofors and Oerlikon ack-ack and secondary armament, and extensive anti-submarine equipment.

These ships can track and hunt a submarine for days if need be and operate away from base for two months. They have other advantages, like built-in protection for atomic warfare and, being prefabricated, they can be built in Winnipeg if necessary and assembled at tidewater, or on the Great Lakes. They are fully able and well-equipped to track down, overtake and destroy any submarine in the big Soviet underseas armada now in existence.

As an observer of sea and naval power I find much to admire in the Royal Canadian Navy of today but I also find one great weakness. We are paying far too little attention to seaborne airpower and that is a criticism aimed, not at our sea admirals, but at those who supply their facilities, the department of national defence and the taxpayers of Canada.

Battleships are being mothballed today and the U.S. is depending more and more upon the aircraft carrier as the principal ship of her modern fleets. She is moving rapidly to meet the threats of atomic war by building atom-powered aircraft carriers, cruisers, submarines and merchant ships that will make her fighting ships independent of land bases for fuel.

She is pushing ahead with the development of guided missiles and is bringing cruisers, destroyers and submarines into being for this purpose by new building or conversion.

A significant aspect of U.S. naval thinking is the possibility of using the aircraft carrier as a mobile base for carrying atomic bombs and she is well prepared for either an atomic war, in so far as any seapower can be prepared, or for a sea war fought with conventional weapons under what British Field Marshal Montgomery has called the *Pax Atomica*.

What of the seawise British?

Like the U.S., the British are producing an atomic powered submarine but they have had excellent results with the alternative hydrogen peroxide fuel type. H.M.S. *Explorer*, the first in this field is rated as the fastest submarine in the world, with a known underwater speed of more than 25 knots.

In small ships of the destroyer and anti-submarine categories the Royal Navy excels. Improved radar, ASDIC, sonobuoys, dipping ASDIC and airborne magnetic detection make the path of a submarine perilous indeed. Weapons such as the potent multi-barrelled mortar which can track a submarine electronically and fire high-explosive projectiles set for depth and simultaneous explosion in any direction, together with homing torpedoes and atomic depth charges make up a formidable arsenal.

In the bigger ships the Royal Navy shows a great dearth in the cruiser class and no new construction is yet in the offing. An experimental guided missile ship, H.M.S. *Girdle Ness*, is gathering experience. It may be the British anticipate a successor to the old battleship will come from this sphere and that nuclear weapons will be designed with smaller but just as deadly projectiles, permitting storage aboard in quantity.

HMCS "Fraser", commissioned in June.

A notable feature of the Royal Navy of today is its aircraft carriers. Not a single carrier of World War II vintage is still in commission but in their place are new, powerful, well-designed ships incorporating all the latest improvements.

British thinking about carriers is important. The Royal Navy was the first navy in the world to build and use carriers and that leadership is still maintained with the steam catapult, angled flight deck, mirror landing aid, audio automatic catapult centering and other postwar inventions.

British observers visualize the carrier as the principal ship of small but exceptionally powerful task forces operating as mobile, semi-independent units along the vital sea routes and doing much to offset the need for fixed bases which are difficult to maintain and obtain in an atom-conscious world.

They also visualize the carrier as a ship of great versatility. It can be a troop carrier on occasion, transporting a landing force and its equipment and providing the airpower to cover a landing and to exert a field of influence much farther inland, over a much wider radius, than the guns of a cruiser could accomplish. (This is a carrier role which Canada, in her use of H.M.C.S. *Magnificent*, for U.N. operations, found valuable experience).

British observers are divided in opinion about the Soviet submarine intent but it is a strongly-held opinion that the Soviet may intend in the event of war to use its underseas fleet to deliver an atomic attack simultaneously against the shores of Great Britain, the United States and Canada.

NATO is our defensive alliance of the west. But NATO is a practicable alliance only as long as we control the seas and specifically the North Atlantic. If we could be sure that the English-speaking peoples who form the heart of NATO seapower could be so close-knit in military and even political alliance that they would present a common front to danger, then we could integrate our navies and save the U.S., U.K. and Canadian taxpayers a great deal of money.

But the shifting winds of politics blow hot and cold and we must appraise our naval thinking in terms of multi-purpose navies still, if we are to include the components of seapower essential to survival.

The revised strategy for defence makes our weakness apparent. With two long coasts to defend the best we can muster is one aircraft carrier with 30 planes.

This is no criticism of H.M.C.S. *Bonaventure*. Her name means "Good Tidings" in English and she is a most welcome addition, completely modern in every way. The criticism is that there just isn't enough of her to cover our essential requirements in seapower.

What we need is an absolute minimum of three light fleet carriers of the *Bonaventure's* class. This would mean we could maintain one on each coast and have the other constantly in reserve. With three carriers operational one would invariably be in refit.

Bonaventure's hull was laid down by the Royal Navy in 1945 but all work stopped at the end of the war and was never resumed. Then Canada came along and there is a strong rumor that, because we had some surplus cheese to sell and Britain had no dollars to buy it with, we struck a deal in *Bonaventure*. Negotiations were quickly shifted to a basis where cheese was not mentioned any more but the aroma is there.

Money is only a symbol of trade. We have a great deal of surplus wheat to sell today and Great Britain builds very good aircraft carriers. Two coasts to defend calls for two-ocean seapower.

Sicily

CONTINUED FROM PAGE 17

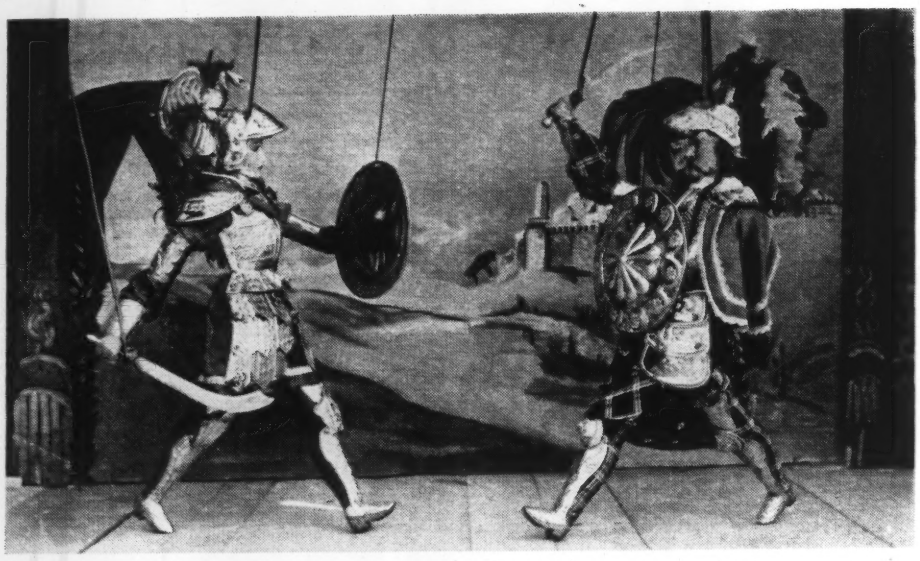
sun, they just stare. People in Sicily spend a lot of time staring, men in the streets, women at their windows or sitting by the wall facing inwards. It would be bold for a Sicilian woman to face the road. Sicily is a man's world. It is the men who haunt the hairdresser and dress like peacocks for the evening promenade. Women stay at home.

Covetous men from the beginning of time have cast greedy eyes on Sicily. From the East, from the West, from Europe, from Africa, one after the other invading bands have swarmed over the island and clashed for possession. Each race in turn has remained to prosper and decline. This mixture of types we saw in the faces that stared at us from every crowd. We discovered their heritage of art and culture at every turn.

Palermo the capital, for centuries a great port of call from Africa and the North, remembers she was once the finest city in Europe. It was the Normans who created a great court here. They had swooped down upon Arab-ruled Sicily with swift conquest. Then, full of wealth and Christian zeal, they set about building magnificent churches, chapels and cathedrals with vast areas of dazzling mosaics covering the interior.

In the enormous cathedral of Monreale, in the intimate Palatine Chapel of the Palace, the Norman arches and Byzantine domes are adorned with a mosaic tapestry of gold with Biblical scenes in lively detail. There is an Old Testament frieze with Jacob, Noah and Jonah in picturesque activity, there is a series on Christ and his miracles, there are panels showing the Norman Kings in attitudes of devotion. Our own St. Thomas of Canterbury is there for he was a new saint then. The lower walls are completely filled with geometric mosaics of Arab design, jewel-toned pieces of exquisite delicacy and unlimited variation. The Norman conquerors did not disdain to employ the Arab artists in their Christian buildings.

The streets of Palermo are a hubbub of strange sounds like an eastern marketplace. Even in our room at the top of 82 steps we had to shout to be heard as did everyone in this top floor family *pension*. From our balcony we listened. Above the tangle of noise rises the cry of the street vendor, a roar of command, complaint and appeal that trails off like the call from a minaret. The vendor strolls and extols his simple wares, sea urchins for the street nibblers, a push-cart of cauliflower bright green or purple for the housewife. She leans over her fifth-storey balcony, they bargain in loud tones, she lets down her basket on a rope and up goes the lettuce or the loaf for lunch. Lemons approach. The men arguing loudly on the corner pause to take one, cut it in quarters and hand round to suck—sweet lemons these.



Puppet show at Palermo recalls Arab-Christian clash.

A noise ever present midst the hum of trolley buses and swift motor traffic is the click of hoof beats. Hundreds of horses and donkeys, with a jangle of little bells and the crack of the whip, fetch and carry in open cabs and creaking yellow carts.

These bright little carts are the pride of Sicily and another link with her Arab past. The painted panels depict lively battle scenes between Christian Knights and the Saracens. Carved heads and painted designs cover every inch of cart, shafts and wheels, inside and out. They haul coal, rocks, carrots, everything.

Arab-Christian clash is the theme too of the puppet shows that entertain Palermo's poorer quarter. For just a few cents we joined the audience one evening in a dingy little theatre. The crowd of men and boy-children were eagerly following the melodrama that they already know by heart. Puppet Knights in silver armor clash swords with the wicked Infidel in baggy pants and bear off heroically the innocent Maid, as the man behind narrates the epic in rich and passionate tones.

Our hotel in Syracuse brought us an unexpected encounter. The place was at the water's edge, comfortable with a somewhat faded elegance, and a French name. The porter led us firmly out to our balcony facing the sea. "There", said he with a proud gesture, "there you have the Fountain of Arethusa below your window!" Obviously he thought that alone was worth the price of admission. So did we.

We met St. Paul too in Syracuse. He came here to preach his fiery message at the Temple to Minerva. Later the Doric temple was converted to Christian use to become the first church in Europe.

The Romans in Sicily, as elsewhere, built for their pleasures, the amphitheatre for blood sports. An emperor's country palace with a tiled floor, recently unearthed, startles the visitor with a mosaic of girls in Bikinis.

Then there is Mount Etna, a trifle disturbing to those not used to rumbling volcanoes in the offing. The bus took us up the steep road past little towns and lava-grey vineyards, terraced up to the very rim of small craters. At snowline we got out for lunch. Our companions went into the smart inn to enjoy spaghetti *à la sicilienne* and sample Etna wines. We chose to picnic outdoors on a sunny slope, munching fresh rolls with local cheese while we watched Etna sending up great spurts of white steam into the blue sky. It is the central crater that is erupting this year, most of the 300 cones being long since cold.

Eating in Sicily can be fun. We ventured into octopus, *cannellone siciliana*, minced and rolled in pasta with a spicy sauce made to order; mussel soup served with shells and all; shrimps and prawns in many guises; artichokes looking like green waterlilies stuffed with savory meat. Sicilian wines go well with all these, but be warned, they are heady! For a warm afternoon on the terrace try *Cassatta siciliana*, an ice cream specialty of several flavors packed with nuts and candied fruits.

Many a hotel or guest house offers meals in the garden with flowers all around and view of mountain and sea. These are often elegant villas from the Spanish period converted to serve the tourist. One is an ancient monastery offering luxury with a view of Etna. Sometimes we found that "running hot water" meant that someone came running from the kitchen with a steaming jug.

It was all very gay and light-hearted though. Sicilians are in love with their island and its treasures from the past. They want you to like it too.

Convertible Securities

CONTINUED FROM PAGE 18

Convertible bonds, debentures and notes offer a compromise between notes or debentures and common shares. They, like debentures or notes, carry a fixed rate of interest and a definite date for the repayment of principal. Convertible preferred stock carries the usual inducements of its class, such as dividend preference, and also includes the option of a switch into another class of stock on a set basis.

The factor which makes convertibles so attractive, in an economy with inflationary trends, is this: The market price of convertible issues rises as the common stock increases in value while, if the common stock should decline, the convertibles tend to be supported by their fixed interest or dividend features.

In addition to advantages to the investor, there are also advantages to the company which issues convertible securities, particularly in periods of "tight money" such as the present.

The attractions to the company are these: First, the price it can get is higher than if it were to sell simply a fixed-income security because leaders are wary of inflationary effects. The difference in price between the convertible and the price it could get for a fixed income security, of course, reflects what the investor is willing to pay for the conversion privilege.

Second, the corporation has an opportunity, through the conversion privilege of selling common stock for a price above that of the current market. This increases the company's equity base for future debt financing.

The security of convertibles is generally good. While not backed by first mortgages, the collateral is usually the next best thing.

There are other features of convertibles. Among them are these:

The conversion price may be constant throughout the entire conversion period or it may be graduated upward. The latter technique is used to encourage early conversion and to take account of future growth.

Convertibles are callable at small premiums. In practice this is not a disadvantage although it often appears to be at first sight. The company is required to give the convertible holder a reasonable notice of call and the conversion privilege, of course, may be exercised during this time. Companies rarely call until the conversion privilege has become quite valuable.

Usually, when an investor converts from a debenture to a common stock he loses the accrued interest on his debentures. To compensate, however, he receives dividends paid on the stock. For this reason, the best time to convert is usually directly after an interest coupon has been paid, or just before the record date for a dividend payment.

Convertible issues are usually adequately protected against dilution: that is, against an increase in common stock not warranted by a corresponding increase in the company's assets and earning potential.

Most convertible issues are usually relatively short term—about 15 years. This is essentially a good feature for investors for this reason: Convertibles are vulnerable to a decline in the bond and stock markets. The term of the debenture will have a direct bearing on the extent of the price decline. With a fairly high coupon rate and a short term, price declines would be modified.

Then there is the matter of risk. As the price of a convertible issue rises along with the common stock, the holder gradually takes on all the risks of a common stock holder. At this point you can convert into common stock for the advantages of higher yield—and the deductibility of the income tax credit.

Akin to convertible issues are two other types of financing. These are debentures with warrants and participating and "A" stocks.

Debentures with common-stock purchase warrants give you a relatively long-term call on the issuing company's common stock. The big difference between debentures with warrants and convertibles is that with convertibles, you lose the senior security on conversion, whereas with a warrant you end up with both the equity stock and the senior security.

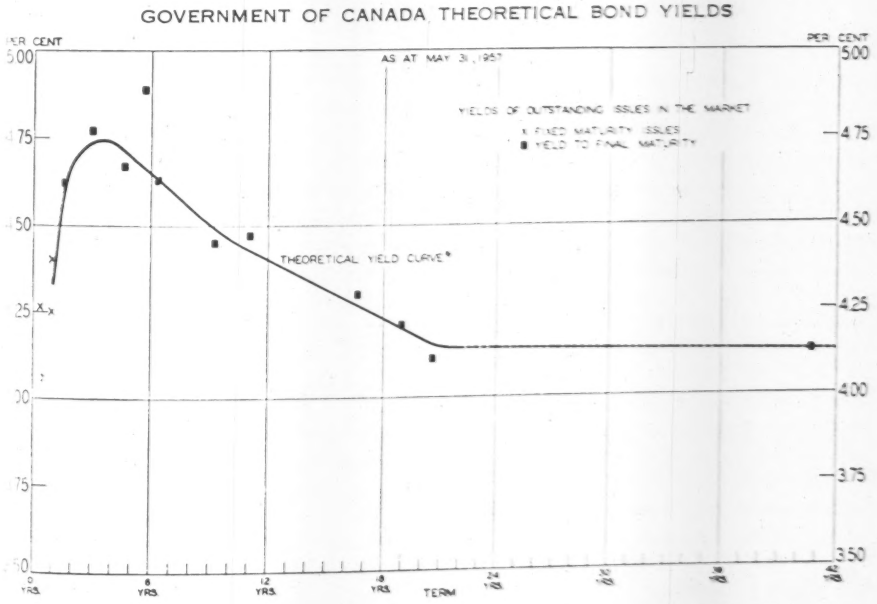
This type of financing has proved popular with Canadian uranium mining companies—Can-Met, Pronto and Northspan to name but three—and the detached warrants have become speculative media. The attraction is the leverage factor. A warrant to buy a stock selling at $7 for $5 is worth $2. Should the stock rise by $1, however, the warrant also rises by $1—a jump of 50%.

The same leverage, of course, works equally effectively on a decline. Incidentally, the leverage factor plus the tendency of the warrant to trail the stock in price movements usually make warrants excellent trading vehicles.

Participating preferred and "A" stocks generally are non-callable and the purchaser is given a permanent participating investment. Although slower to reflect the prosperity of the issuing company than convertibles or warrant issues, the participating security's value is tied to the earnings and dividends of the common stock. Participating "A" stocks are generally senior to common stocks in regard to both assets and earnings. "A" stocks, however, are senior only in regard to earnings.

Convertible issues currently outstanding represent just about every field of investment interest. Here is a sampling of companies with convertible issues: Abitibi Power and Paper, Atlas Steels Ltd., Canadian Pacific Railway, Dominion Steel and Coal Corp., Home Oil Co. Ltd., Loblaw Groceterias Ltd., Simpsons Ltd., Canada Iron Foundries Ltd., Traders Finance Corp. Ltd., Ajax Petroleums Ltd., Brazilian Traction, Canada Southern Oils, Canadian Petrofina Ltd., Cockshutt Farm Equipment Ltd., Inland Cement Co. Ltd., Scurry Oils Ltd.

GOVERNMENT OF CANADA THEORETICAL BOND YIELDS



Bond yields decline steadily after early period, level out for long term.

Revolution Devours Young

CONTINUED FROM PAGE 13

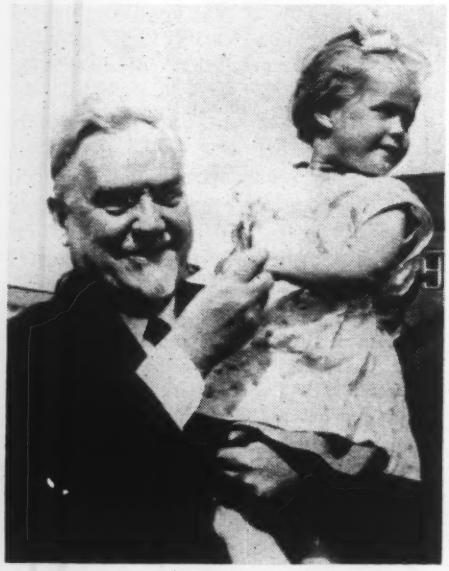
Russia as a great power with frontiers touching almost every major interest in Europe and Asia, from the Pacific to the North Atlantic. On the second level there is the Soviet system, the model for all Communist peoples, the training ground, the source of inspiration and the institutional as well as spiritual headquarters for international Communism wherever it may be developing. Hence, what Russia does abroad she does both as a powerful state and as the source of a dynamic crusading ideology having wide-ranging machinery at its disposal.

As he grew older Stalin increased the personal and dictatorial character of the regime and the office of First Secretary. This had very important consequences inside Russia by accentuating the centralization process since so many decisions would have to be made by him or his most trusted colleagues. In addition the movement toward what for want of a better term may be called "constitutionalism" in Soviet government was extremely slow and primitive and a high degree of insecurity, physical and professional, must have permeated the ranks of the Presidium, the Central Committee and indeed the whole upper bureaucracy. Abroad this concentration of ideological, political and organization supremacy in the Soviet Union meant that new Communist states were not only to pattern themselves on the U.S.S.R. as the exclusive model, but if they were to help execute the historical task of evolving world Communism, then the interests of the socialist fatherland—Russia—must come before any narrow national interests; for international Communism and the international proletariat could only be helped to achieve victory through the strength and advancement of the Soviet Union. Hence the satellite states and even Communist China were from Stalin's view truly "Communist" only if they generally met all of these tests of submission and imitation.

The effect of these ideas was to impose a high degree of direct Russian control on all the satellites and to re-fashion their entire political and social structures as reflections of the Soviet model. Russians were actually in charge, after World War II, of all key satellite departments and of the training of their new bureaucracy, while the satellite system was crudely exploited by seizures for reparations and by trade agreements and joint enterprises highly favourable to Moscow.

It is now well understood that the program for reducing tensions at home and abroad under both Malenkov and Khrushchev and climaxed by Khrushchev's denunciation of Stalin at the 20th Congress of the Communist Party in February 1956, reflected a grave need in Soviet society to get rid of the worst features of Stalinism. At home this meant a reduction in the power of any one man, whether as Premier or as First Secretary, decentralization of industry, greater flexibility in the attitude of the Party toward agriculture, a sharp weakening in the political role of the secret police and a real effort to raise living standards by allocating more resources to consumer needs.

Abroad the new policy required a fundamental admission of what Stalin and Stalinism had regarded as impossible—namely, that Poland and Yugoslavia (and China) could have their own approach to Communism and still be regarded as Communist states. This idea



Bulganin: Baby kissing not enough?

of "different roads to Socialism", on which Tito had insisted as the price of a rapprochement with the Soviet Union, had very great significance for Russian Party ideological problems as well as for international Communism. Internationally it could mean the possible rise of "national communism" which each so-called national communist state no longer beholden to the Soviet Union regarded either as model, mentor or Mecca. Ideologically the effect would suggest that the Soviet Union and its Communist Party were not the only sources of universal communist "truth". And, politically, there would follow a natural tendency on the part of many of the satellites to seek increasing independence — and this independence might have important economic and military consequences. Domestically, in Russia, "different road to socialism" or "national communism", could mean that the Soviet model was not the only possible variant on Marxism and Leninism and the Soviet masses or new elite conceivably might come to think that patterns of social organization in Yugoslavia or Poland, equally "communist", would make life more agreeable. All this would lead to a weakening of the absolute ideological authority, even inside the Soviet Union, of the Communist Party itself.

The recent statements of Khrushchev and Shvernik would have us believe that the three dismissed comrades were somehow opposed to Khrushchev's willingness to re-define Soviet theory and practice both for the Soviet Union and for its relations with other communist states and the world at large. But it is more than likely that the difference between Khrushchev and his now defeated colleagues are differences of degree and that ideology as often before is only part of the story—the rest of it being the struggle for power between men who want it at the same time as they fear absolute authority in any one man, remembering the last days of Stalin. It would be a mistake, therefore, to assume that basic changes will flow from this intra-party collision at the highest level. Indeed, if Malenkov had won he would have been faced with the same determination by Tito to fashion his own brand of revolution, with the Chinese too distant and too different to ever follow a Russian model forever, and with the satellite states too nationalist in their memories to adopt a wholly Russian pattern of social organization. Poland and Hungary yesterday, East Germany even earlier, and perhaps the Czechs and the Rumanians sooner than one might expect, all searching for means to preserve unwanted regimes by concessions to deep national feeling.

It is illuminating also to realize that while Khrushchev "co-existence" is directed to living with the non-communist world, to Tito "co-existence" is intended largely as a device to achieve ideological equality with the Soviet Union. Indeed, Khrushchev is likely to discover that a little freedom is a Pandora's box, whether for Russia or the satellite world. Yet there is always one card that he can play if escape from the box threatens the party dictatorship and its border commonwealth: he can use force. For Hungary has taught the sad lesson what while international communism may lose face in many parts of the world by brutal repression, it is a price the Soviets are willing to pay to insulate their borders with regimes whose common deities are Marx and Lenin, even though interpretation of the gospel may vary.

In all of these rapid changes is there a Canadian policy that may have a useful part to play in the evolving relations between East and West? Perhaps the following suggests a summary of principles and programs to be derived not only from recent events but from a long look at the forty years of the Soviet system:

1. Canada should continue to assume that it is the intention of the Soviet

Union to seek the achievement of Communist regimes everywhere. Soviet theory and practice in any case believes history to be on its side but that it is the function of Russia as the socialist fatherland to give history a "little push" whenever needed.

2. Nevertheless, while mindful of these long-term objectives of the Soviets, the main aims of Canadian policy towards the U.S.S.R. should be to encourage disarmament and to demand of the Russians evidence of their good faith in wishing for a reduction in world tension. This we should do while preserving the strength and unity of our Atlantic alliance. We are well placed in the Disarmament Sub-Committee, as a Russian Arctic neighbour and as a middle power with a good international record for creative ideas, to take the occasional initiative in urging Russian moves toward providing a better framework for an easier peace.
3. In the satellite states, we should encourage "national communism" wherever we find it if only because it is by far the lesser of the alternative evils as against a totally Russian-dominated, communist international system. It is very possible that what begins as national communism may in due course evolve into something approximating anti-Communism. If this comes about slowly enough it may slide past the eyes of the Kremlin to achieve what appears to be happening in Poland without the disaster of a Hungary.
4. The new elite in the U.S.S.R., among the bureaucrats and the professional classes, should be invited in increasing numbers to visit Canada in the hope that this new group, with their vested interest in "good" and safe living, will further be encouraged to seek a more fluid social and constitutional order even within the limits of formal Communism.

By the time these lines are published there may be new headlines from the Kremlin, with new trips to Siberia for old hands at the game of revolution. But perhaps the reluctance of Khrushchev to destroy the three expellees, physically, is a sign not of Western humanism creep-into Soviet politics but of the pressures to have some kind of "legality" in the management of public affairs, even at the top. The day is still far off when Moscow can tolerate a loyal opposition, but we may be at the beginning of a technique where exile to the arctic provinces but not death is the Soviet price of losing a debate.

The Dollar Premium

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to channel 15% of Canada-U.S. trade to the United Kingdom.

During 1956 Canada's trade deficit with the U.S. was $1,290 million. Overall trade deficit was more than $848 million —a deficit more than covered by the inflow of investment capital. Exports to the U.K. were $818 million and imports $484 million. Total foreign trade exceeded $10,500 million. This is the picture the Tories want to change. They want more U-K and Commonwealth trade with correspondingly less dependence on foreign investment to maintain Canada's economy.

There are also signs the U.S. is reviewing its economic relationship with Canada. The recent formation, under the U.S. National Planning Council, of a committee to investigate Canada's trade complaints is the most important. Significantly, one of the first steps of the 40-member committee was to emphasize the investigation would be on a strictly business basis.

Such a policy as the Conservatives propose will require statesmanship and politics of the highest order.

These are regarded as the important factors in the situation.

First: money will go where it can make a profit. If Canada should become unattractive it will go elsewhere. There is little sentiment in business.

Second: if Canada is to sell more to Britain, she will have to buy more from Britain. Two factors, currency restrictions and the great number of U.S. controlled industries in Canada, make such a prospect difficult at least.

Third: the Progressive Conservatives have not a clear majority in Parliament. Any legislation would be with the tacit agreement of Opposition parties and it is doubtful if the Tories could follow a strong line.

What is feared is that Tories, as a result of inexperience and a desire to appeal to the electorate will make a rash of statements with the effect of damaging the confidence of the U.S. in Canada as an investment. Certainly, isolated proclamations such as the proposed 15% trade switch will have little effect. But a series of announcements which would make U.S. investors feel their money was unwelcome, or they would be discriminated against, would have a big effect. At worst, it could mean bankruptcy.

Foreign investors do have some reason for being wary of the Conservatives. During, and for some time preceding, the recent election campaign Tory spokesmen were making a big issue of U.S. economic influence in Canada.

The Tories showed a strong inclination to link U.S. investment with domination of key resource and manufacturing industries. They virtually ignored U.S. indirect investment—through corporation and municipal bonds, for example—despite the fact it was bigger. In 1956, of total capital investment of roughly $1,250 million, about $750 million was indirect.

Those who chart the past course of the Canadian dollar cannot help stressing its fluctuations. In the 1930s for instance the dollar travelled in an extreme range of about 27 cents in terms of U.S. funds.

Since 1951, when the government lifted restrictions on foreign exchange, the dollar has never been below par in terms of U.S. funds. But the sustaining factor all along has been the extraordinary flow of U.S. capital into Canada.

The petroleum industry is such a case. But it also illustrates the tremendous advantages produced from a heavy capital inflow in terms of trade. In petroleum, the inflow has put Canada well on the road to petroleum self-sufficiency and has consequently led to considerable savings on imports as well as fostering a nascent export industry to the U.S.

This development illustrates a natural evolution of capital inflow to the point of producing exportable, money-earning commodities.

The alternative—as suggested by the recent Gordon Commission—is control. The Commission suggested Canadian subsidiaries of foreign concerns be required to sell a 20-25% interest in their stock to Canadians. The idea, although superficially patriotic and high-minded, could easily be tantamount to suicide. No other economically important country has such legislation and foreign businessmen could be expected to stay away in droves if Canada should introduce such measures. Not entirely because of the financial cost but more so because such legislation would show discrimination and foreigners could reasonably regard it as a start to their total exclusion.

Certainly, the way of evolution looks more attractive, and, if undisturbed by unwise pronouncements from Ottawa, the problem of foreign investment in Canada and our adverse trade balance could work out something like this:

As the inflow of capital into Canada from the U.S. shows signs of drying up (as it has within the last six months) the productive capacity that the capital has helped build should begin to show earning power. This, in turn, will help cut the exaggerated trade deficit caused by the capital investment boom. Greater exports plus a more vigorous search for markets outside the U.S. could improve the trading picture out of all recognition.

And the best indicator of just how well we are coming along will continue to be the dollar premium.

Editorials

The Governor-General

SOME English newspapers have been suggesting (perhaps a better word would be "plugging") that the Queen Mother be the next Governor-General of Canada. This is not only a vulgar treatment of Royalty but a gratuitous insult to Canada. Bluntly, it is none of their business.

Some Canadian newspapers have picked up the idea. They may have done so only to stir up cheap controversy. Whatever their motive, the suggestion is shallow and unconvincing.

Canada's ties with the Crown are strong enough; they do not need to be reinforced. What need strengthening are Canada's idea of nationhood and her understanding of the Commonwealth. The next Governor-General should be either a Canadian or a distinguished statesman of one of the member nations of the Commonwealth.

Remember the Waste?

CANADA'S servicemen are now the best paid in the world. Indeed, as it was noted in a Canadian Press report, they were, in most categories, already the highest paid even before the Government announced the recent boost in their wage rates. The increase for the armed forces came on top of a raise in pay for civil servants.

No sensible person will begrudge the servicemen and the civil servants the extra money. At the same time, the country has a right to expect that the Government will see to it that the money is earned.

The Conservatives, when they were in Opposition, talked constantly of administrative waste and extravagance. If money was wasted—and it undoubtedly was—they are now in a position to do something about it. If they don't, their own words will be served up to them on hot platters for a burning meal.

Mr. D's Big Chance

CONSERVATIVE members of Parliament had a great deal to say about the duties and responsibilities of Mr. Speaker during last year's pipeline debate. Mr. Diefenbaker himself was one of the more trenchant critics of Liberal abuse of the office. Now Mr. Diefenbaker has a chance to demonstrate that he and his colleagues meant what they said a year ago. At the same time, he can end two pernicious practices that have become a bad tradition.

The Commons must agree on the appointment of a Speaker, but the leadership in the selection comes from the Government. The practice has been to change the Speaker after each general election, and to alternate between English-speaking and French-speaking nominees. Both the regular change and the French-English switch are bad.

The Speaker's job is a highly demanding one. To do his work properly, he must master the intricacies of parliamentary procedure. He must have a love for and an almost instinctive knowledge of rules and precedents and these qualities must be combined with a mature wisdom to provide impartial judgment. Rarely indeed is a man found who can fulfill these requirements during the life of one Parliament. Moreover, it is much too important a job to be handed out every four years or so as a political plum. The post should be to the best man available, no matter what his party or ethnic origin.

Despite his performance during the pipeline debate, the best man for the Speaker's job is René Beaudoin. His lapse last year can surely be forgiven now; it was the one blot on an otherwise distinguished performance.

It is true that he is a Liberal. It is also true that it is now the turn of an English-speaking member to be the Speaker. But logic demands a change, and circumstances have arranged it so that Mr. Diefenbaker is in an excellent position to make the change. If he does so, he will not only be doing the country a great service but be making his own place safe in Canadian parliamentary history.

Hard Wheat and Money

EARLY reports from the West indicate that there will be another good wheat crop this year. It will be added to a surplus that already amounts to some 640 million bushels. Meanwhile, the position of the farmers steadily deteriorates.

The wheat problem is without doubt one of the stickiest facing the new Government. The St. Laurent administration could do nothing to solve it, and it is profitless to try to argue about who or what was to blame. What is important now is that the Diefenbaker administration prove more successful than its predecessor.

What has made the task of disposing of Canadian wheat more difficult has been the give-away policy of the U.S. Commodity Credit Corporation, acting on the instruction of the Secretary of Agriculture and Congress.

Canada cannot afford to get into a full-scale give-away contest with the United States, but there is no reason why the Canadian Government could not adapt some of the U.S. methods. There should be a more flexible approach to marketing. The insistence on high, often unrealistic, prices and on payment in dollars has been short-sighted and costly. We have priced ourselves out of some markets and seen others go to sellers willing to accept "soft" currencies.

Part of the trouble has been that our negotiators seem to have been infatuated by the strength of our "hard" dollars. In fact, the hardness is all on the surface—it depends on the flow of foreign money into Canada. Our trade deficit is such that, without the flow, the dollar would be not only soft but soggy. We can use our wheat to strengthen our trade position and put some real hardness in our own currency.

The Dark Ages

UNDER any circumstances, the taking of a life by the state is an ugly and shameful business. But to make a spectacle of it, or a means of satisfying personal revenge is beyond all limits of civilized practice. Yet that is what is permitted in New Westminster. The sheriff there has been quoted as saying that he is quite willing to allow the relatives of murder victims to be witnesses of the execution of persons who have been judged guilty of the murders. The provision, apparently, is that the witnesses be "suitable" — whatever that may mean.

Execution is at once a barbaric practice and a confession of failure by society. It is a penalty inflicted by the state not for revenge but as a deterrent—a feeble one, it is true, but that is the intent. Even so, it is a degrading thing. To put it in the class of a blood feud is unspeakable.

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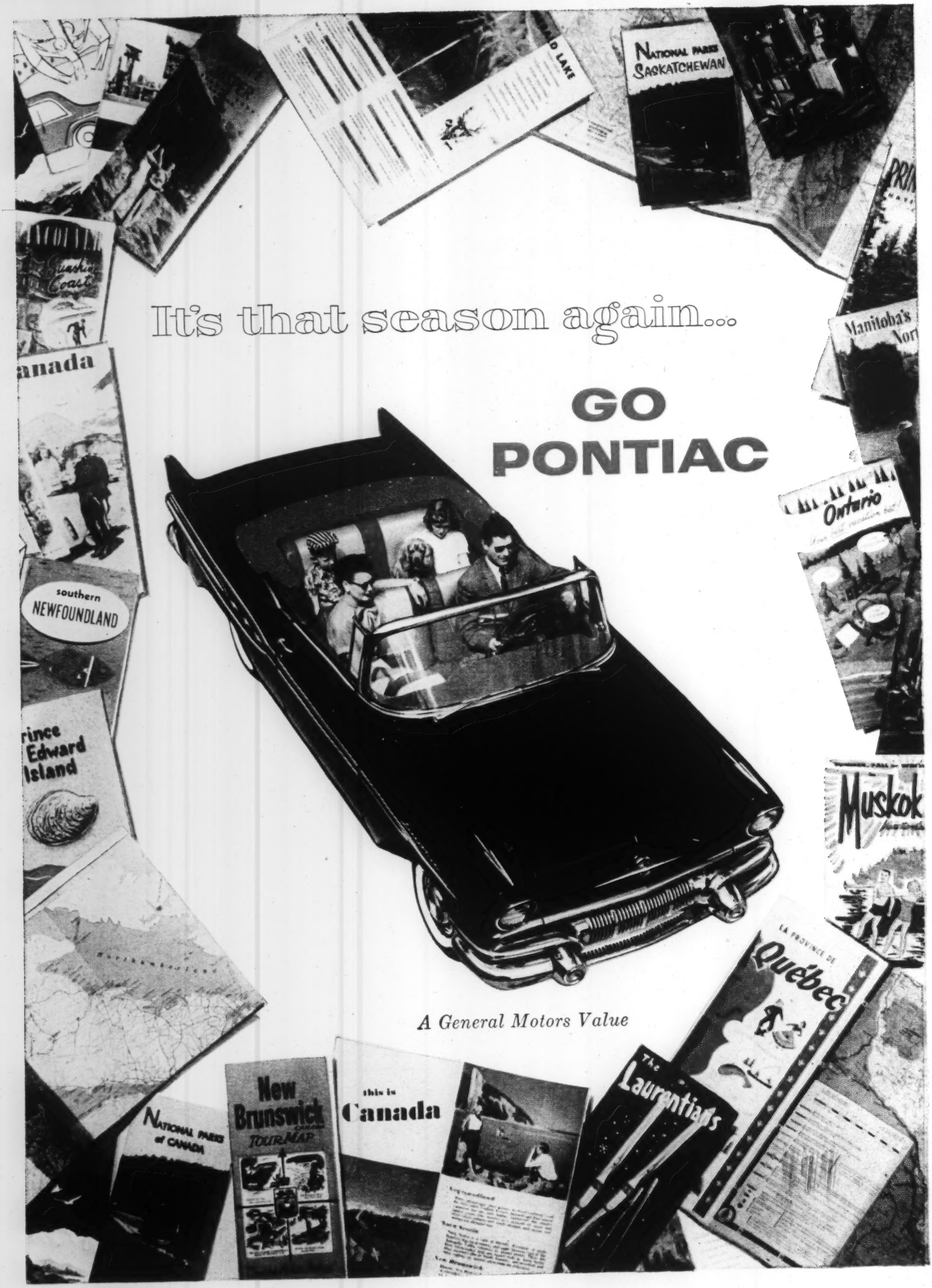
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